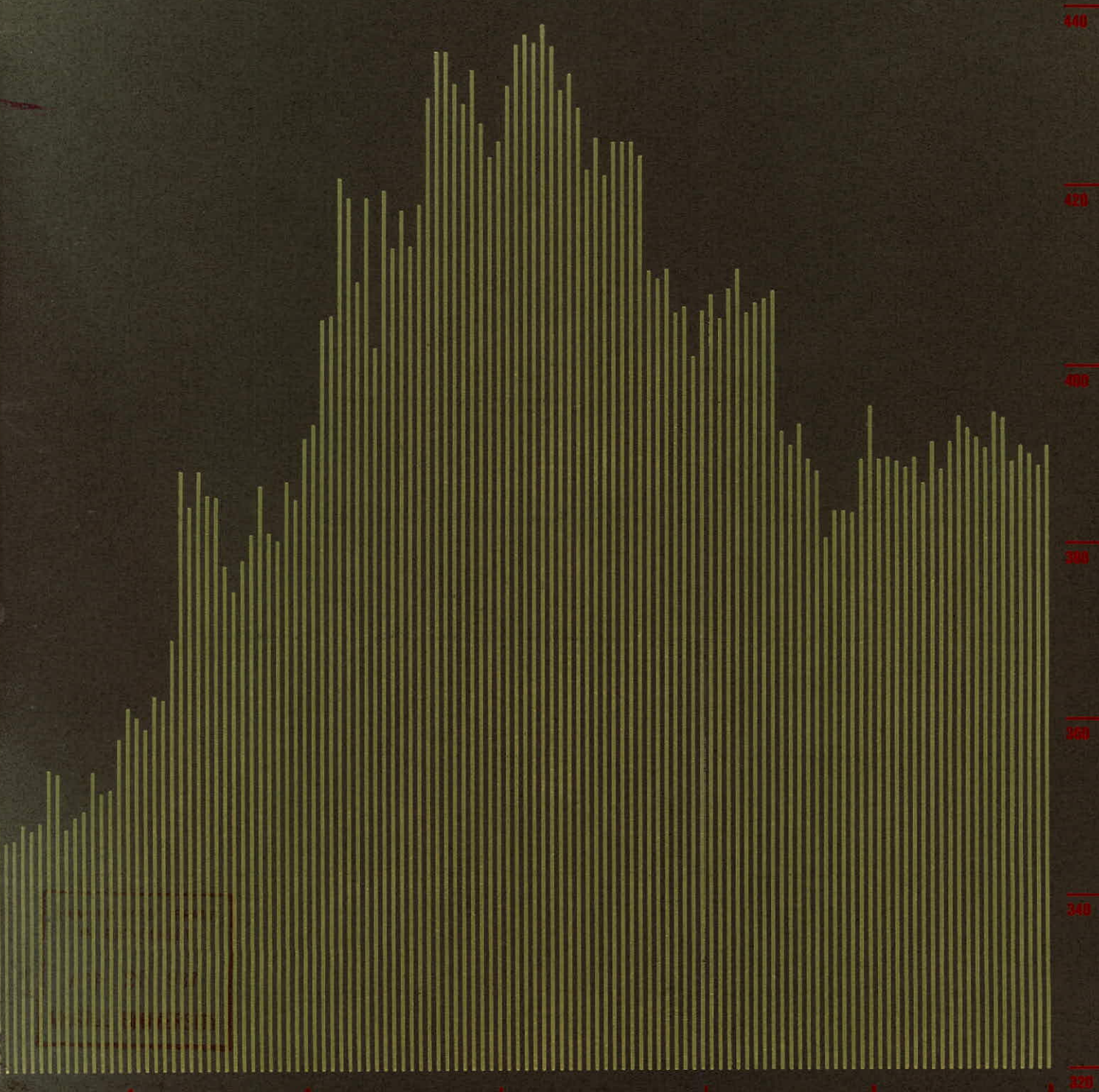


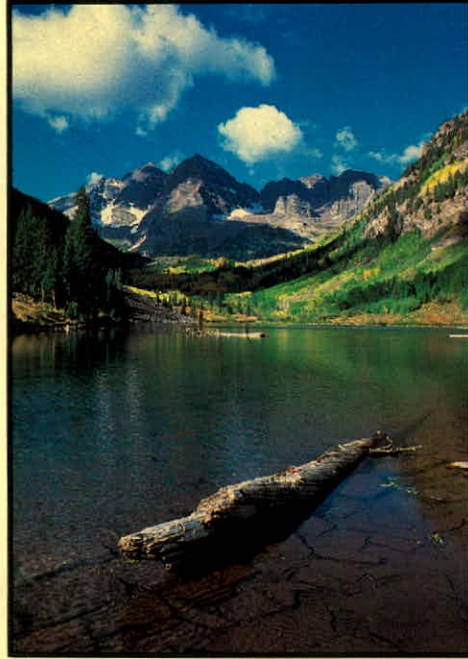
Sullivan  
Mines Inc.

*sullivan*

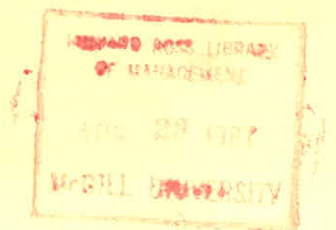








*ullion and treasures are rarely found in chests buried deep in the earth. They rather take the shape of gold deposits located in remote areas calling for established experience for their extraction. Sullivan Mines widens its outlook to offer new opportunities to investors who believe in a company whose future is predicated on strong ethics, with a proven track record of technical and financial achievements. Sullivan Mines can bring to the investors the benefit of mining development abroad whilst pursuing its canadian and american ventures.*



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## ***sullivan***

**Head Office:**  
Suite 800,  
625 Dorchester Blvd. West  
Montréal, Québec, H3B 1R2  
Tel.: (514) 879-9213

**Exploration Office:**  
775 – 3rd Avenue  
Val d'Or, Québec, J9P 1S8

**Registrar and Transfer Agent:**  
Guaranty Trust Company of Canada  
Montréal – Toronto

**Shares Listed:**  
Montreal Exchange/Toronto Stock  
Exchange, identified by the letters SUM.

**Eldrich-Flavel Project**  
Évain, Québec

**Bankers:**  
National Bank of Canada  
Canadian Imperial Bank of Commerce

**Auditors:**  
Maheu Noiseux

The Annual General Meeting of Shareholders of Sullivan Mines Inc. will be held on the 30th of April 1987 at 11:00 a.m. at the Ritz Carlton Hotel in Montreal.

**Note:**  
In this report, all amounts are in Canadian dollars and all tons are short tons of 2,000 pounds, unless otherwise indicated. A metric tonne is 1000 kilograms, or 2,204.6 pounds.

To convert "grams of gold per metric tonne into ounces per short ton", divide by factor 34.28. One kilogram of gold is equivalent to 32.15 troy ounces.

Si vous désirez vous procurer la version française du présent rapport, veuillez vous adresser au secrétaire adjoint.



(in thousands of dollars, except for share values)	1986	1985
<b>Mine Operating Results</b>		
Revenues	12,840	10,864
Earnings (loss) before extraordinary items	(1,069)	339
Net Earnings (loss)	(687)	522
<b>Financial Position</b>		
Cash from operations	1,731	1,551
Additions to mining assets	9,874	7,528
Total assets	39,906	34,685
Long-Term Debt	804	371
Shareholders' Equity	32,487	29,714
<b>Per Common Share</b>		
Earnings (loss) before extraordinary item	(\$0.12)	\$0.04
Net earnings (loss)	(0.08)	0.06
Shareholders' Equity	3.58	3.59
Stock market value:		
High	6.125	4.80
Low	3.75	3.10

## **Transition year**

Loss of \$687,000, due to increased costs and reduced production at the Valdez Creek Mine, in Alaska.

Increased profit at the Arthur W. White Mine, in Ontario.

Additional reserves at the Eldrich-Flavel Project, in Quebec.

Tangible activity in international operations.

Two offers to buy out interest in the Arthur W. White Mine, rejected by the Board of Directors.

A new major shareholder.

A new approach to exploration.

Encouraging results at the Flordin project.



Mines are not discovered, they are built.

*F*

*ifty-four years in a business, where the road to success is long, erratic and costly, have taught Sullivan Mines the value of perseverance. The year 1986 reflects this pragmatic attitude, a vision of mining going far beyond the vanishing good fortune, an insight based on knowledge and experience, a tenacity resting on efforts and resources' optimization.*





Mssrs. Claude Genest and  
Lucien C. Béliveau

The 1986 financial year not only shows a loss evidenced in the last quarter, but also interesting new mining prospects. The loss of \$687,000 is mainly attributable to reduced production and cost increase at the Valdez Creek mine, in Alaska, which translates into a loss of \$0.08 per share. However, revenues are up 18%, climbing from \$10,864,000 in 1985 to \$12,840,000 in 1986. Cash from operations jumped by 12% in 1986, to reach \$1,731,000. Mining assets stood at \$31,321,000 after an increase of \$9,874,000 during the year. Shareholders's equity increased 8% over the previous year, to reach \$33,751,000 at year end.

Disappointing results at the Valdez Creek gold placer, as well as the financial default of one of the three partners, would impose on Sullivan Mines, at the minimum, a larger technical and financial involvement. The project's financial health will be restored only to the extent that all the elements of its feasibility will be clearly proven. Therefore, it is contemplated that the mining operation be suspended in the near future, in order to undertake a thorough definition drilling program.

#### **Arthur W. White Mine: excellent results**

Located in northern Ontario, Arthur W. White Mine, operated jointly since 1982 by Sullivan Mines and its partner, increased its gold production by 8%. The forecasted grade of 0.32 ounce per ton was reached. Mine development increased by 134% during the year, which explains the major part of the rise in operating costs. In spite of difficulties in recruiting personnel in this remote area, the rate of production has been expanding over the last four years. The mine meets all expectations in term of grade, ore reserves and future possibilities, even though there is still room for improvement in productivity and production. Therefore, Sullivan Mines twice refused to sell its 34% interest to Dickenson Mines Limited. These offers were for a consideration representing twice and three times the original purchase price of 1982.

### **Eldrich – Flavel Toward a New Mine**

The exploration program of this former gold mine, located in northwestern Quebec, has shown encouraging results in 1986. The current exploration activities are entirely financed by Sullivan Mines. Studies now suggest that ore grade and tonnage may warrant the construction of a mill on site. Before mining, underground exploration of the zone 5 will continue to confirm the very interesting results to date.

### **Interesting International Potential**

Prospection in other countries will be intensified to produce concrete results. Several foreign governments and companies, mostly in French West Africa, could sign agreements with Sullivan Mines to foster exploration, development and, eventually, mining of gold deposits. Sullivan Mines is perceived in these countries as an experienced company, willing and capable to undertake mining operations and, as a Canadian entity, attuned to French cultural nuances. These negotiations are further enhanced by project financing possibilities, offered by international organisation, as well as by government backing through the Canadian International Development Agency.

### **Cambior: A New Dynamic Shareholder**

During the year, Soquem sold its holding in Sullivan to Cambior Inc., which is now the main shareholder. An agreement has laid the foundations of a profitable relationship between the two companies. Whilst seeking their own separate ways, Cambior and Sullivan will certainly harmonize their respective development.

### **Sullivan Mines: A Natural Leader in the Mining Industry**

Agreements with the National as well as the Quebec Funds of CMP (1987) have been signed, representing an issue of \$12 million flow trough shares. These funds will be used to finance our exploration programs, in Quebec and other Canadian provinces. Sullivan Mines wishes also to direct its future exploration activities more and more toward projects that have reached the development stage. Income tax laws have prompted expansion of junior mining exploration companies and have increased possibilities of discoveries. The Company can supply these young companies with the financial and technical back-up, conducive to bringing their projects into development and production. As described in the exploration section of this report, under-



ground work program, jointly carried out with Bachelor Lake Gold Mines Inc., at the Flordin property has given encouraging results, both as to the continuity of the structure and as to the ore grade.

**Price of Gold: Favorable Outlook**

The market outlook seems to favor a higher gold price which reached an average of US \$368 up from US \$317 in the previous year. Many analysts predict that economic forecasting may well direct investors toward traditional safer values like gold. These forecasts are very encouraging for the company which can anticipate higher yields and production, from at least one new gold deposit, in years to come.

**Healthy Financial Situation**

In 1986, Sullivan Mines has kept its development pace, whilst maintaining a sound financial situation. Mining assets were up 22% and shareholders' equity increased by \$5 million, a growth of nearly 15%. During the year, the company managed to keep the long term debt at a low level, representing less than 2.5% of the shareholders' equity.

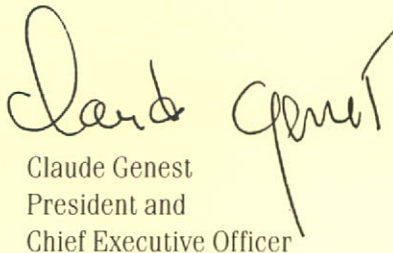
Sullivan Mines would like to thank Mr. Paul J. Bourassa and Mr. Georges Gauvreau for their most valuable contribution to the Board of Directors, and wishes to

welcome Mssrs. Gilles Mercure, Louis P. Gignac and Jean-Pierre Ouellet as new members.

The Board will miss the precious contribution made by Mr. J. Jacques Beauchemin. The Beauchemin family has been, more than any, responsible for Quebec mining development and the success of Sullivan Mines Inc. Mr. Lucien C. Béliveau will take over as Chairman of the Board.

We are very thankful to all the personnel whose work and dedication are the roots of the company's development.

On Behalf of the Board  
of Directors



Claude Genest  
President and  
Chief Executive Officer



Lucien C. Béliveau  
Chairman of the Board

March 18, 1987







## The Arthur W. White Mine

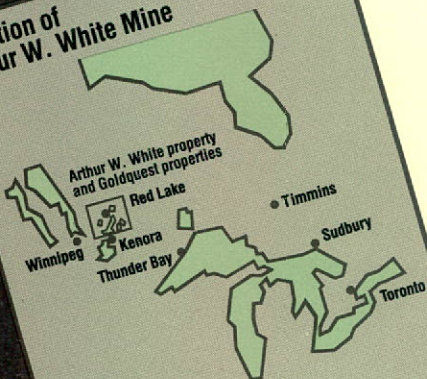
A great past and a greater future

*U*

*nderground mining activity continues in one of the richest gold mines in Canada, the Arthur W. White Mine.*

*The mining method not only calls for thousands of tons of ore but also entail the handling of large volume of backfill.*

### Location of Arthur W. White Mine



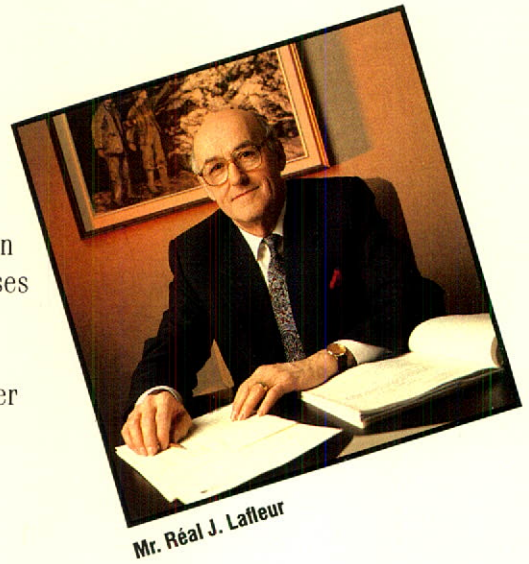
In 1986, the Arthur W. White Mine, in which Sullivan Resources Ltd has a 34% interest, treated 239,736 tons of ore, grading 0.32 ounce of gold per ton. Gold production increased from 62,735 ounces in 1985 to 67,890 ounces in 1986.

The huge increase in mine development, up 134% in 1986, consisted of 3,613 feet of raise and 7,603 feet of drift and cross-cut. Exploration and development drilling increased from 60,760 feet in 1985 to 76,041 feet in 1986.

Gold bearing veins, discovered in the hanging wall of the ESC zone, in 1985, were further explored and 2,900 feet of drift were driven on the 26th and 30th

levels, as well as 143 diamond, drilled holes which totalled 21,000 feet. Three principal structures have been identified; (see appended plan) the Central 21 and 22 zones characterized by continuity, the Western 23 zone, and the Eastern 24 and 25 zones. The two latter structures are more complexed; they are highly variable with erratic free gold, giving a substantial nugget effect, which will require evaluation by development. In 1987, the partners are scheduling additional exploration work consisting of 2,500 feet of lateral development and 24,000 feet of diamond drilling.

Sullivan Mines' production revenues from this mine were, in 1986, \$11,071,000 whilst expenses totaled \$9,447,000 for a net profit (before taxes) of \$1,624,000, a 52% increase over the last fiscal year.



Mr. Réal J. Lafleur

Average Gold Sale Price



**Mining Operations Overview**

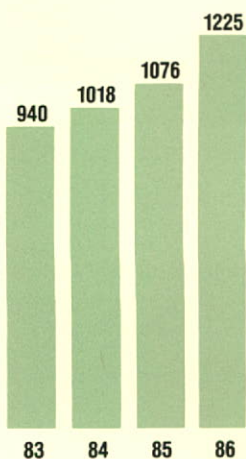
	1986	1985	1984	1983
Tons of ore milled (S.T.)	239,736	215,140	206,800	206,000
Average grade (ounce of gold per ton)	0.32	0.33	0.34	0.31
Recovery – (bullion %)	83.8	83.4	83.8	82.4
Recovery – (bullion and concentrate %)	88.8	87.3	86.2	86.2
Production of gold (in ounces)				
Bullion	64,053	59,978	58,936	51,865
Concentrate	3,837	2,757	1,834	–
Total Production in ounces	67,890	62,735	60,770	51,865

**Sullivan Resources Limited Share: 34%**

Production of gold (in ounces)				
Bullion	21,778	20,393	20,038	17,634
Concentrate	1,304	937	624	–
Total Production in ounces	23,082	21,330	20,662	17,634
Average sale price				
\$ Cdn per ounce of gold-bullion	492	451	475	538
\$ Cdn per ounce of gold (net of realization)				
cost-concentrate	272	175	40	–
Average	480	438	462	538
Operation cost per ounce \$ Cdn	349	328	310	307



Ore Reserves expressed in gold ounces (in thousands)



### Reserves in thousands of short tons

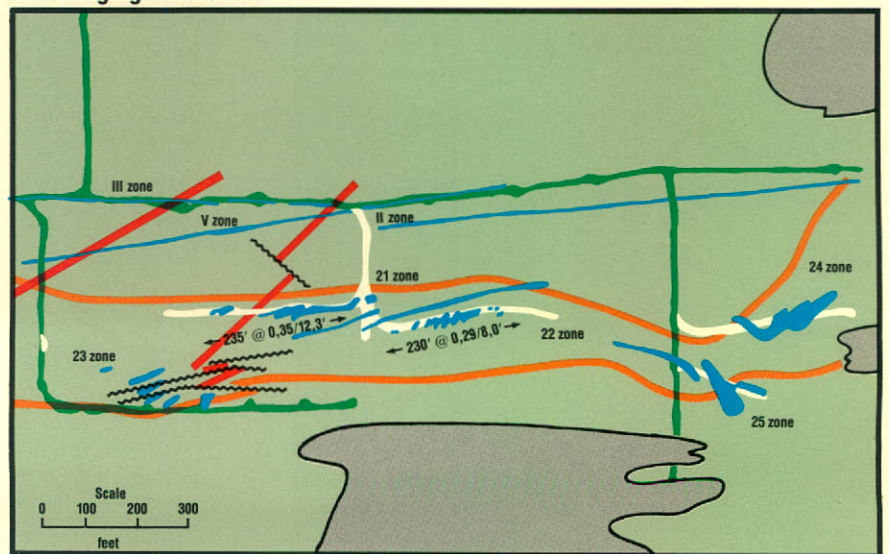
	1986	1985	1984	1983
Proven	1.540 @ 0.33 oz	1.532 @ 0.35 oz	1.240 @ 0.33 oz	1.151 @ 0.34 oz
Probable	1.500 @ 0.30 oz	1.383 @ 0.27 oz	1.233 @ 0.32 oz	874 @ 0.29 oz
Possible	912 @ 0.30 oz	671 @ 0.28 oz	810 @ 0.28 oz	1.006 @ 0.28 oz
Total:	3.952 @ 0.31 oz	3.586 @ 0.30 oz	3.283 @ 0.31 oz	3.031 @ 0.31 oz

N.B.: The geological personnel of the Arthur W. White Mine established these figures for ore reserves after dilution as of the 31st of December.

#### Definitions:

1. Proven Ore Reserves: Ore which has been partially developed by one or more mine openings along zones with demonstrable geological continuity, and in which grade has been established by chip sampling or by two or more diamond drill holes. Limits of 25 feet on either side of the openings are assumed.
2. Probable Ore Reserves: Ore which has been indicated and sampled by a diamond drill hole within a zone of demonstrable geological continuity, or Ore which falls within 50 feet of a mine opening as used in defining (proven ore).
3. Possible Ore Reserves: Ore that is contiguous to proven and probable ore within interpreted geological zones but which has not been sampled.

### The White mine Level 30 Plan ESC hanging wall zones

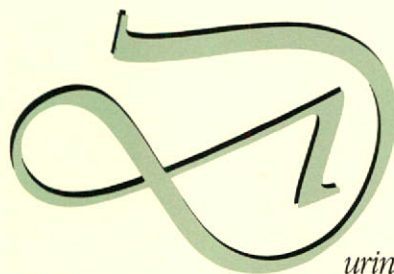


- Ore, Drift defined, Inferred
- Altered rock
- Andésite
- Quartz porphyry
- Lamprophyre
- Fault
- 1986 Drifting





### A difficult year



*uring 1986, the Valdez Creek Mine, in which Sullivan Mines Inc., through its wholly owned subsidiary SUM Resources Inc. has a 25.875% interest, produced 13,326 ounces of fine gold compared to 25,163 ounces, the previous year.*

*After two years of production without serious problems, the three partners had planned the removal of 3,500,000 cubic yards of waste gravel and forecasted a total production in excess of 40,000 ounces of fine gold.*



## The Valdez Creek Mine



Serious unforeseen problems occurred and despite major efforts to rectify the situation, the success of the operation now seems precarious.

At first, opposition from ecologists has delayed removal of the waste gravel. Then, the presence of water in silt beds caused serious sloughs of the pit wall and a considerable enlargement of the volume of waste to be removed, requiring additional investment in heavy equipment. Thirdly, a narrowing of the channel, where grade was presumed to be higher, reduced the quantity of pay gravel, which grade had been overvalued according to production results. These two factors contributed to a reduction of gold ounces to be extracted. The problems con-

operation have been translated into inflated costs, stemming from extending the mining period and the necessity to winterize the operation.

As at the annual report date, the 1986, production program is still in progress and should be completed at the beginning of April 1987, with a total production of 24,000 ounces of fine gold or 60% of the initial forecast.

Due to financial stress resulting from poor 1986 results, one of the three partners in the Joint Venture is in default in its financial contribution. To remedy this default, the two other associates would be imposed a financial burden that would be compatible with the profit expectation of such venture. As for Sullivan, and to the extent that the feasibility

### Mine Operations Review

	1986	1985	1984
Cubic yards of gravel removed	4,559,550	1,177,000	835,000
Cubic yards of pay gravel treated	160,090	304,000	179,000
Average grade (oz/c.y.)	0.093	0.098	0.11
Ounces recovered (raw gold)	15,737	29,823	19,754
Ounces recovered (fine gold)	13,326	25,163	16,787

### SUM Resources Inc. share: 25.875% (13.875% prior to 1st of November 1985)

Ounces of fine gold	3,448	3,491	2,330
Average sale price \$ Cdn per ounce	514	428	424
Operation cost \$ Cdn per ounce	698	353	*

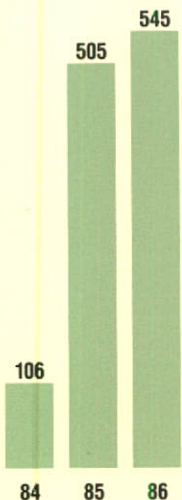
\*Not comparable

reassessment would leave a comfortable profit margin, no additional funds will be committed without assuming the project management under the responsibility of the Joint Management Committee.



Mr. Boris S. Karpoff

Ore Reserves expressed in gold ounces (in thousands)



### Reserves in thousands of cubic yards

	1986	1985	1984
Proven	404 @ 0.114 oz	406 @ 0.129 oz	798 @ 0.088 oz
Probable	1,059 @ 0.118 oz	801 @ 0.081 oz	
Possible	2,987 @ 0.106 oz	2,996 @ 0.087 oz	594 @ 0.060 oz
Inferred	1,352 @ 0.045 oz	1,739 @ 0.071 oz	
Total:	5,802 @ 0.094 oz	5,942 @ 0.085 oz	1,392 @ 0.076 oz

Note: The Consulting Engineers W.G.M. Inc. established these figures for ore reserves as at December 31st, 1986

#### Definitions:

1. Proven reserves: Proven reserves are those fully delineated by drill sections with holes spaced no more than 50 to 60 feet apart and flanked by adjacent drill sections defining similar, correlatable results.
  2. Probable reserves: Probable reserves are those where the distance between drill section exceeds 250 feet (generally 500 feet or more) or where drill hole spacing along the section exceeds 75 feet (generally 100 foot spacings).
  3. Possible reserves: Possible reserves are those where the drill lines are spaced more than 500 feet apart or where only one drill hole intersected a gold-bearing channel that could be correlated between wide-spaced drill lines.
- Inferred reserves: Inferred reserves are those based on projection of the known paleochannels beyond the areas tested by drilling where there is reasonable confidence of their presence.













Mr. Daniel Goffaux

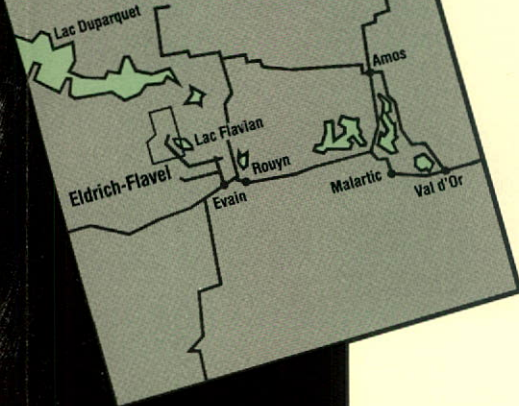
Development underground work, started two years ago, continued at a fast pace in 1986. Sullivan Mines is funding alone these works, which results are promising enough to contemplate mining.

Exploration, centered on the new zone 5, has succeeded in outlining reserves estimated at 547,600 tonnes, averaging 5.75 gr Au/t. after 30% dilution. Exploration work continues and studies suggest that with the new data on the zone 5, construction of a mill could be justified. During the year, 60 meters of drift were rehabilitated, 2,358 meters of raise and drift were driven, 2,618 meters of diamond drilling were completed,

9,700 tonnes of ore from the upper zones were broken and will be treated to confirm the grade and the metallurgical data.

Plans, in 1987, call for deepening of the shaft another 214 meters, to reach 538 meter depth. Drifts will be driven into the new zone 5, in order to be in a position to confirm its grade and tonnage. Financing of this exploration program is through the issue of flow through shares, as previously mentioned.

Location of Eldrich-Flavel project



## Quebec

### ROUYN-NORANDA DISTRICT

#### C.D.R. Option

Sullivan: 50% (management)  
C.D.R. Resources Inc.: 50%

#### Description

Property located in Beauchastel Township. Previous work has shown the presence of a small deposit accessible by ramp with 51.600 m.t. at 5.22 gr. Au/m.t.

#### Activities and Prospects

The property is being kept in good standing pending favourable gold prices and a go-ahead decision on Eldrich-Flavel deposit located some 10 kilometers to the north-west.

### VAL D'OR – AMOS DISTRICT

#### Croinor Project

Sullivan: 50% (Management)  
Dominion Explorers Inc.: 50%

#### Description

At least four gold bearing zones are known on this Pershing Township property. According to present estimates, the most important one contains 386,000 m.t. at 5.48 gr. Au/m.t. after dilution. It has been investigated underground to a depth of 152 meters through the facilities of four levels and a ramp to the first level. The three other gold zones are not well known.

#### Activities and Prospects

During 1986, eight diamond drilled holes were implanted to check gold values, previously reported, on the northern contact of the porphyry dike crossing the southern part of the property.

The best results were:

3.09 gr. Au/m.t. over 0.91 m.  
4.11 gr. Au/m.t. over 0.76 m.  
2.40 gr. Au/m.t. over 1.62 m.

The property is being kept in good standing pending favourable gold prices.

#### Goldstack Option

Sullivan: 33 1/3%  
Goldstack: 33 1/3%  
Aumine: 33 1/3% (Management)

#### Description

This property is part of the previous Malartic Goldfields Mine in Dubuisson Township. Complementary to an ill defined residual tonnage, within the mine area, the nearby South Briar and New Briar zones have 262,330 indicated m.t. at 5.52 gr. Au/m.t.

#### Activities and Prospects

In 1986, 6,897 meters of diamond drilling were done on the property under the temporary management of Aumine. A new auriferous zone was discovered, the New Briar, located some 100 meters to the North West of the South Briar zone.

Three diamond drilled holes done in this zone returned the following results:

7.5 gr. Au/m.t. over 12.5 m.  
4.45 gr. Au/m.t. over 9.0 m.  
5.96 gr. Au/m.t. over 38.4 m.

Drilling will continue in 1987.

#### Courvan Project

Courvan Mining Company Limited: 45%  
Louvem Mining Company Inc. N.P.L.: 55% (management)

#### Description

Sullivan has nearly 50% interest in the Courvan Mining Company Limited. The property is located in Louvicourt Township. Its major feature is a gold bearing structure known as the "southwest zone" where efforts are being made to determine the structure of the gold veins.

#### Activities and Prospects

In 1986, 13 diamond drilled holes, totalling 2,727 meters were implanted on various sectors of the property.

Encouraging results were obtained in the southwestern zone where five diamond drilled holes were done during the year.

One of these holes has intersected a new zone, at depth at the 300 meter-horizon which returned the following results:

15.77 gr. Au/m.t. over 5.66 m.  
8.57 gr. Au/m.t. over 4.04 m.

#### Airport Project

Sullivan: 100%

#### Description

This property is located in Dubuisson Township, near the Val d'Or airport. It covers 62 lots totalling 2,480 acres.

Interesting geological structures cross the property.

#### Activities and Prospects

A geochemical humus survey was conducted in the fall; zones of gold and zinc anomalies were encountered. These preliminary work will be followed in 1987 by line cutting, geophysical surveys and diamond drilling.



## CHIBOUGAMAU DISTRICT

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### **Mondor Option**

Sullivan: 70% (Management)  
Mondor Explorations Inc.: 30%

#### **Description**

The Mondor property is located in parts of Brongniart, Rasles, Hany and Fancamp Townships.

#### **Activities and Prospects**

Two diamond drilling programmes were executed: 27 holes totalling 2,824 meters were implanted. Gold values varying from 2 to 3 grams across a width of 1 to 3 meters were obtained in several holes.

Prior to year end, lines were cut and geophysical survey was completed on extensions of known gold bearing zones. New targets have been identified and will be drilled in 1987.

### **Philibert Project**

Soquem: 60% (Management)  
Sullivan: 40%

#### **Description**

Gold property extending over parts of Fancamp, Gamache and Hazeur Townships. A boulder tracing programme has outlined a favourable area for gold mineralization.

#### **Activities and Prospects**

During the 1986 exploration campaign, 11 diamond drilled holes totalling 1,784 meters were executed.

Seven of these holes have outlined a gold bearing zone with an interesting potential.

The best results obtained were:

3.78 gr. Au/m.t. over 11.2 m.  
3.88 gr. Au/m.t. over 2.0 m.  
6.10 gr. Au/m.t. over 1.0 m.  
1.91 gr. Au/m.t. over 7.0 m.  
4.16 gr. Au/m.t. over 3.5 m.

An intensive diamond drilling campaign has been planned for 1987.

### **Fancamp Project**

Soquem: 50% (Management)  
Sullivan: 50%

#### **Description**

This property covers parts of Fancamp, Rasles and Hazeur Townships, a few kilometers west of the Philibert project and 5 kilometers south of the Mondor project. Some gold in smokey quartz was found in 1984.

#### **Activities and Prospects**

Ten diamond drill holes were completed totalling 1,147 meters as well as 900 meters of trenches.

The best results obtained were:

#### **Trench Samples**

6.1 gr. Au/m.t. over 3.0 m.

#### **Diamond drill hole Samples**

2.57 gr. Au/m.t. over 5.1 m.  
2.4 gr. Au/m.t. over 0.5 m.  
2.7 gr. Au/m.t. over 0.5 m.

More diamond drilling is planned for 1987.

### **Currie-Mills Project**

Sullivan: 45% (Management)  
SDBJ: 40%  
M. Currie-Mills: 15%

#### **Description**

This deposit, located near the Joe Mann gold property (Meston Lake and CAM - CHIB) was explored only at shallow depth. Its geological structure is similar to that of Joe Mann.

#### **Activities and Prospects**

No new activity in 1986 except for a letter of agreement with the Société Amtec Inc., which can acquire a 25% interest by undertaking a \$250,000 diamond drilling program.

Known ore reserves shown by drilling are of 62,632 m.t. at 4.25 gr Au/m.t. (northern zone) and 105,285 m.t. at 2.06 gr. Au/m.t. (southern zone). More diamond drilling is planned for 1987.

## QUEVILLON DISTRICT

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### **Flordin Project**

Sullivan: 45% (Management)  
Bachelor Lake Gold  
Mine Inc.: 55%  
(subject to dilution)

#### **Description**

The Desjardins Township property contains

a gold deposit evaluated at 471,000 m.t. at 6.65 gr Au/m.t. across a width of 1.95 m.

#### **Activities and Prospects**

A 6.1 kilometer access road was opened enabling the establishment of a mining camp. A 202.4 meter ramp was driven to study the mineralized structure at depth.

At the end of December a gold vein was followed over 49 meters with very encouraging results.

Results from the eastern drift returned 9.16 gr Au/m.t. over 1.6 m. while those from the western drift showed 4.91 gr. Au/m.t. over 2.1 m.

While underground activity was underway, surface diamond drilling was completed totalling 5,345 m.

Preliminary results from surface drilling seem to confirm the values obtained in a previous programme. The 1986 general exploration programme will be completed at the end of February 1987.

Once the results are evaluated, a decision will be made with the partners on the programme and budget for 1987.

#### **Gander Project**

Sullivan: 51% (Management)  
Esso Minerals: 49%

#### **Description**

Optioned from Esso Minerals (Canada), the Gander property covers parts of Desjardins, Bruneau and Franquet Townships. It is located a few kilometers to the west of the Floridin property.

#### **Activities and Prospects**

Subsequent to work done by Esso Minerals, lines were cut and a magnetometer survey was conducted on the northern section of the property.

This preliminary geophysical survey indicates that the geological structures of the Floridin property extend to the Gander property.

A diamond drilling programme is planned for 1987 to better evaluate the structures and gold bearing zones.

#### **Novellor Project**

Sullivan: 50%  
Onyx Resources Inc.: 50% (Management)

#### **Description**

This property is located a few kilometers to the east of Lebel-sur-Quevillon and follows a long volcanic zone crossing Ralleau, Effiat and Carpiquet Townships. In all, 1,001 claims cover an area of 16,016 acres.

#### **Activities and Prospects**

A programme of stripping, line cutting and geophysical survey was conducted last summer. A diamond drilling campaign began in December on a gold bearing zone located in the eastern part of the property.

This programme will be continued in 1987.

## **EASTERN TOWNSHIPS AND GASPESIA DISTRICT**

#### **Norex Project**

(Eastern Townships)  
Noranda Exploration Canada  
Limited: 60%  
Sullivan: 40%

#### **Description**

These properties are located in Weedon and Stratford Townships. On the optioned properties, Sullivan has a 40% interest of which 25% is participating. On properties acquired after the option agreement, Sullivan has a 15% participating interest.

In 1986, a new partner, FinMeth joined Sullivan and Norex.

Under certain conditions, FinMeth may acquire an interest varying between 50 and 62½% in return for various financial undertakings in form of exploration of the property.

#### **Activities and Prospects**

In 1986, Norex embarked on a major project of line cutting (115.0 km), of geophysical surveys: magnetometer (122.3 km), E.M.H. (104.3 km) and 18.5 km of induced polarisation, of detailed geological mapping, as well as collecting over 2,176 soil samples.

Over 1,432 m. of drilling were completed on previously discovered targets.

The results show clear definitions of geological structures without showing any concentrations of economically interesting metals mineralization.

Other geophysical surveys and drilling are planned for 1987.

#### **FedPen Project**

(Gaspesia)  
Sullivan: 100%

#### **Description**

This is a base metals property located in Lemieux Township. An option has been given to Soquem in 1985.

#### **Activities and Prospects**

In 1986, Soquem executed a geological survey followed by diamond drilling totalling 2,019 meters in three holes.

Results obtained indicate a small potential of copper-zinc-lead deposits. Work has been suspended and the property returned to Sullivan Mines.

No work is planned for 1987.



## Ontario

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### **Clifford Project**

Sullivan Resources: 100%

#### **Description**

The property comprises 39 mining claims skated in Clifford Township during the fall of 1985. The objective was to explore a small granitic stock of acid volcanic rocks. Clifford Township is located in Ontario on the Quebec border along the Porcupine-Cadillac axis.

#### **Activities and Prospects**

All geological prospecting, line cutting and geophysical surveying have been completed.

Selected targets will be drilled in the spring of 1987.

### **Goldquest Project**

Red Lake District

Sullivan Resources Ltd. has a 19.32% interest in Goldquest Exploration Inc.

#### **Description**

The Goldquest project covers a group of 12 mining properties in the Red Lake District. Each year, an average of \$1 million of exploration work is done on these properties.

#### **Activities and Prospects**

In 1986, exploration work was concentrated on the Redcon and Abino properties. Surface surveying on both properties gave very interesting results.

The ramp on the Abino property was dewatered and 887 feet of drift and cross-cut were driven. New gold bearing zones were discovered, some containing visible gold. Other samples yielded 4.46 and 3.32 ounces Au/m.t. over 0.44 and 0.45 meter. A sample of 1,100 tons mixed with 2,586 tons (extracted in 1983) produced 1,353 ounces of gold, with an average of 0.523 ounce per ton.

More work is planned for 1987.

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## **ABANDONED PROJECTS**

Certain projects having shown no interesting results, were abandoned during the year. These properties include North Landrienne, South Landrienne, Miniac, the Tremblay's option and a part of Little

Mount Pleasant. The Villemontel property was also abandoned, however sufficient statutory assessment work has been accumulated for the latter property to be kept in good standing.

**Sullivan Mines Inc.**  
 (Incorporated under Part IA  
 of the Companies Act of Quebec)

**Consolidated Balance Sheet**

December 31, 1986  
 (In thousands of dollars)

	1986	1985 (restated note 2)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and term deposits	\$ 696	\$ 1,980
Marketable securities, at cost (quoted market value 1986, \$134; 1985, \$2,743)	129	2,743
Bullion at estimated net realizable value	1,864	1,739
Accounts receivable (note 10)	1,289	987
Accrued interest	5	36
Supplies at the lower of average cost and replacement value	1,243	896
Prepaid expenses	102	67
	5,328	8,448
<b>Investments (note 3)</b>	3,257	3,247
<b>Mining Assets (note 4)</b>	31,321	22,990
	\$ 39,906	\$ 34,685

ON BEHALF OF THE BOARD OF DIRECTORS

David Gagné
L. C. Béliveau

Directors



	1986	1985 (restated note 2)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued charges	\$ 3,755	\$ 2,637
Deferred gold options	226	34
Mining taxes payable	351	83
Current portion of long-term debt	1,019	400
	<u>5,351</u>	<u>3,154</u>
Long-term debt (note 5)	804	371
Minority interest		3
<b>Shareholders' equity</b>		
Capital stock (note 6)	19,195	15,813
Contributed surplus	1,459	1,459
Retained earnings	13,097	13,885
	<u>33,751</u>	<u>31,157</u>
	<u>\$ 39,906</u>	<u>\$ 34,685</u>
Contingencies (note 10)		

## Auditors' Report

To the Shareholders of  
Sullivan Mines Inc.

We have examined the consolidated balance sheet of Sullivan Mines Inc. as at December 31, 1986 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended and we have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, according to the best of our information and explanations given to us and as shown by the books of the Company, these consolidated financial statements present fairly the financial position of the Company as at December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change in the method of accounting for the proceeds of flow-through shares as explained in note 2 to the financial statements, on a basis consistent with that of the preceding year.

*Mahew Noisew*

Chartered Accountants  
Montréal, March 5, 1987

## Sullivan Mines Inc.

### Consolidated Earnings

Year ended December 31, 1986  
(In thousands of dollars except amounts per share)

	1986	1985 (restated note 2)
Revenue	\$ 12,840	\$ 10,864
Expenses		
Mining operations	10,427	8,384
Depreciation and amortization	1,438	1,263
	11,865	9,647
Mine operating income	975	1,217
Other expenses (income)		
Exploration	323	425
Administration expenses	1,224	1,030
Interest and other income	(375)	(670)
Profit on sale of investments	(1)	(251)
Share in net loss (earnings) of companies subject to significant influence	29	(47)
Expenses of closed mines	114	125
	1,314	612
Earnings (loss) before undernoted items	(339)	605
Income and mining taxes	730	266
Earnings (loss) before extraordinary item	(1,069)	339
Extraordinary item		
Reduction of income taxes due to a carry-over of expenses	382	183
Net earnings (loss)	\$ (687)	522
Earnings (loss) per share		
Earnings (loss) before extraordinary item	\$ (0.12)	\$ 0.04
Net earnings (loss)	\$ (0.08)	\$ 0.06

### Consolidated Retained Earnings

Year ended December 31, 1986  
(In thousands of dollars)

	1986	1985 (restated note 2)
Balance at beginning of year		
As previously reported	\$ 13,806	\$ 13,363
Prior year's adjustment (note 2)	79	
As restated	13,885	13,363
Net earnings (loss)	(687)	522
	13,198	13,885
Expenses of issue of shares	(101)	
Balance at end of year	\$ 13,097	\$ 13,885



**Sullivan Mines Inc.**

**Consolidated Changes in Financial Position**

Year ended December 31, 1986  
(In thousands of dollars)

	1986	1985 (restated note 2)
<b>Operating activities</b>		
Earnings (loss) before extraordinary item	\$ (1,069)	\$ 339
Items not requiring cash:		
Income taxes	382	183
Amortization of mining assets	1,438	1,263
Loss on sale of mining assets	26	12
Loss on sale of investments		51
Share in net loss (earnings) of companies subject to significant influence	29	(47)
	<u>806</u>	<u>1,801</u>
Net change in non-cash working capital items	925	546
Dividends		(796)
<b>Cash from operations</b>	<u>1,731</u>	<u>1,551</u>
<b>Investing activities</b>		
Sale of mining assets	80	
Additions to mining assets (note 6)	(9,874)	(7,528)
Acquisition of investments	(193)	(2,240)
Sale of investments	25	465
Investment transferred to cash and equivalents	128	
<b>Cash applied to investing activities</b>	<u>(9,834)</u>	<u>(9,303)</u>
<b>Financing activities</b>		
Increase in long-term debt, net	1,052	456
Issues of common shares (note 6)	3,382	1,067
Issue of preferred shares		1,443
Expenses of issue of shares	(101)	
Redemption of minority interest	(3)	
<b>Cash from financing activities</b>	<u>4,330</u>	<u>2,966</u>
<b>Decrease in cash and equivalents</b>	<u>(3,773)</u>	<u>(4,786)</u>
<b>Cash and equivalents, at beginning of year</b>	<u>6,462</u>	<u>11,248</u>
<b>Cash and equivalents, at end of year</b>	<u>\$ 2,689</u>	<u>\$ 6,462</u>
<b>Cash and equivalents comprise:</b>		
Cash and term deposits	\$ 696	\$ 1,980
Marketable securities	129	2,743
Bullion	1,864	1,739
	<u>\$ 2,689</u>	<u>\$ 6,462</u>

## **Notes to Consolidated Financial Statements**

December 31, 1986

(Tabular amounts are shown in thousands of dollars)

### **1. Significant Accounting Policies**

#### **Basis of presentation of financial statements**

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in Canada and are in accordance with International Accounting Standards.

#### **Basis of Consolidation**

The accompanying financial statements include, on a consolidated basis, the accounts of Sullivan Mines Inc. (the Company) and all of its subsidiaries. These financial statements also reflect the proportionate interest that the Company holds in the assets, liabilities, revenue and expenses of several mining and exploration joint ventures.

#### **Mining Assets**

##### **Producing assets**

- (i) Property, plant, buildings and equipment and deferred expenditures are recorded at cost and depreciation is provided on the unit-of-production method based on estimated mineral reserves (proven, probable and possible).
- (ii) Repairs and maintenance are charged to operations, major betterments and replacements are capitalized.

##### **Non-producing assets**

Property, plant, buildings and equipment are accounted for as follows:

- (i) The Flavel project and the Company's share of the Croinor Joint Venture are recorded at cost. Their recovery will only be known once their properties are brought into commercial production at which time the amortization policy will be enunciated by Management.
- (ii) Property, plant and equipment used for the office and for exploration are carried at cost. Depreciation is provided using the straight-line method at 15% and 20% per year.
- (iii) Property, plant and equipment of the Quebec Lithium division are carried at a value that Management considers to be realizable and no depreciation is recorded.
- (iv) Mining properties, claims and concessions are valued at cost and at nominal value.

#### **Deferred Mining Costs**

Mining costs related to the production of bullion to be extracted in subsequent periods are deferred and charged to income in the period in which the bullion revenue is realized.

#### **Flow-through Shares**

Upon issue of flow-through shares, common shares issued are recorded at the market value on the date of issue and the excess of the proceeds related to the tax values is deducted from non-producing assets and from other projects at the exploration stage (mining assets).

#### **Mineral Exploration**

Exploration expenditures are charged against current earnings unless they relate to properties from which a productive result is reasonably certain or on which work is in progress, in which case they are deferred. Exploration expenditures of the Dickenson-Sullivan Joint Venture have been charged to income.

#### **Foreign Currency Translation**

Monetary items of assets and liabilities are translated using the rate of exchange at the end of the year and non-monetary items are translated at historical cost. Deferred development expenses and revenue and expenses other than depreciation are translated by using the average rate for the year. Depreciation is translated at the same rate as the related asset. Profit and loss resulting from these translations are recorded in deferred development expenses or in earnings.



### Forward Gold Sales

Revenue from sales of gold contracts, at predetermined dates and prices, is recorded at contract prices in earnings of the year in which the sale is effected.

### Deferred Credits in Gold Options

The premiums on gold options transactions at predetermined dates and prices are recorded as deferred credits until the options are redeemed, exercised or reach maturity. The resulting profit or loss is accounted for in mine operating income.

## 2. Prior Year's Adjustment

In 1986, the Company changed the method of accounting for proceeds from flow-through shares. Instead of crediting the total proceeds to capital stock, the common shares issued are accounted for at the market price on the date of issue and the balance of proceeds related to the tax values transferred to the investors is deducted from non-producing assets and from other projects at the exploration stage (mining assets).

As a result of this change, the investment in mining assets decreased by \$1,521,901 as at December 31, 1985, retained earnings increased by \$78,890 and common shares issued and paid decreased by \$1,600,791. This change has also reduced the net loss for the year by \$267,000.

## 3. Investments

	1986	1985
Shares accounted for on the equity basis:		
1,990,500 common shares of Courvan Mining Company Limited (No Personal Liability) representing 49.76% of shares with voting rights (market value 1986, \$676,700; 1985, \$696,675)	\$ 138	\$ 149
Shares accounted for at cost:		
1,500,006 common shares of Goldquest Exploration Inc. (1985 at equity value) representing 19.32% (1985, 22.30%) of the shares with voting rights (market value, 1986, \$1,425,004; 1985, \$1,545,004)	1,567	1,585
Other shares, at cost (market value 1986, \$153,833; 1985, \$135,333)	350	350
Other securities		
Government of Canada coupons (market value 1986, \$946,423; 1985, \$959,580) deposited as guarantee, see below	904	931
Other investments	68	25
Advance to a related company (Courvan), without interest and with no fixed term of reimbursement	230	207
	<u>\$ 3,257</u>	<u>\$ 3,247</u>

The Company has deposited with the Guaranty Trust Company of Canada an amount which will provide for the redemption of the outstanding Series A preferred shares at maturity.

The Company has reduced the deposit by \$128,421 representing the conversion of 27,600 Series A preferred shares to common shares during the year.

#### 4. Mining Assets

	1986	1985 (restated note 2)
<b>Producing assets</b>		
Dickenson-Sullivan Joint Venture, at cost:		
Buildings, equipment, deferred development and mining claims	\$ 12,795	\$ 11,977
Less: Accumulated depreciation	4,205	3,146
	<u>8,590</u>	<u>8,831</u>
Valdez Creek Joint Venture, at cost:		
Buildings, equipment, deferred development and mining claims	7,351	4,269
Less: Accumulated depreciation	716	409
	<u>6,635</u>	<u>3,860</u>
Deferred mining costs	1,695	
	<u>8,330</u>	<u>3,860</u>
<b>Total producing assets</b>	<b>16,920</b>	<b>12,691</b>
<b>Non-producing assets</b>		
Flavel Project, at cost		
Buildings, equipment, deferred development and mining claims	9,801	5,334
Croinor Joint Venture, at cost	2,338	2,358
Mining properties, mining claims and concessions, at cost and at nominal value	155	155
Buildings, machinery and equipment		
– at cost, less accumulated depreciation \$230,126 (1985, \$166,115)	249	281
– at estimated realizable value	763	763
Other mining projects at the exploration stage	1,095	1,408
<b>Total non-producing assets</b>	<b>14,401</b>	<b>10,299</b>
<b>Total</b>	<b>\$ 31,321</b>	<b>\$ 22,990</b>

#### 5. Long-term Debt

	1986	1985
Finance contracts, payable by monthly instalments including interest, collateralized by certain machinery and equipment having an undepreciated book value of \$3,088,000 (\$2,236,894 U.S.)		
Notes payable of \$230,466 U.S. maturing May 1987 and November 1989, bearing interest at 1.5% and 2% above a chartered bank's prime rate (1.5% in 1985)	\$ 318	\$ 154
Notes payable of \$787,030 U.S. maturing from December 1987 to December 1989, bearing interest at rates of 9% to 12.5%	1,087	363
Mining claim payments of \$17,375 U.S. payable in 1987	24	50
	<u>1,429</u>	<u>567</u>



	1986	1985
Obligations under capital leases for acquisition of equipment of \$285,588 U.S., bearing interest based on annual rates of 9% to 12%, including monthly payments totalling approximately \$146,000 (\$106,000 U.S.) unpaid	394	204
	<u>1,823</u>	<u>771</u>
Less: Portion due in one year included in current liabilities	1,019	400
	<u>\$ 804</u>	<u>\$ 371</u>

Interest related to long-term debt, excluding the interest portion of payments made on equipment acquired under capital leases, amounted to approximately \$117,342 (\$85,000 U.S.).

The payments due on long-term debt are as follows: 1987, \$1,019,000; 1988, \$568,000 and 1989, \$236,000.

## 6. Capital Stock

	1986	1985 (restated note 2)
<b>Authorized</b>		
Unlimited number of preferred shares without par value which can be issued in one or several Series, with rights, privileges, restrictions and conditions as determined by the Board of Directors		
Unlimited number of common shares without par value		
<b>Issued and Paid</b>		
194,400 (1985, 222,000) Series A preferred shares at the cost at which they can be redeemed	\$ 1,264	\$ 1,443
9,076,356 (1985, 8,283,269) common shares (See Subsequent event, note 12)	17,931	14,370
	<u>\$ 19,195</u>	<u>\$ 15,813</u>

### Conversion

During the year, 27,600 preferred shares were converted into common shares for an amount of \$179,400.

### Private Placement (flow-through shares)

During the year, the Company issued 765,487 common shares for an amount of \$7,499,991 of which \$3,381,927 represented the market value recorded to capital stock. The balance of the proceeds of \$4,118,064 related to the tax values transferred to investors was deducted from non-producing assets and other mining projects at the exploration stage (mining assets).

### Preferred shares – Series A

These preferred shares are non-voting and non-participating, are convertible into one common share of the Company after August 15, 1986 and until June 30, 1990 and are redeemable at the option of the holders on September 17, 1990, for an amount of \$6.50 per share or at the option of the Company for an amount of \$12.41 after June 30, 1990. These shares can be redeemed by the Company following an offer by the Company and accepted by the holders of the preferred shares.

On dissolution of the Company or on the distribution of its assets to its shareholders, the holders of Series A preferred shares will be entitled to receive an amount of \$12.41 for each share held, before any distribution to the common shareholders.

**Common shares under option to employees**

The Company granted an option to a senior executive on 40,000 common shares of its capital stock at a price of \$3.52 per share for a period of 5 years expiring in May 1990.

**7. Joint Ventures**

The following amounts represent the Company's interest in the following joint ventures which are accounted for by the proportionate consolidation method: Dickenson-Sullivan, Valdez Creek and Croinor.

	1986	1985
Assets	\$ 19,731	\$ 21,040
Liabilities	\$ 4,772	\$ 2,764
Revenue	\$ 12,840	\$ 10,864
Expenses	\$ 10,427	\$ 8,384

During the year, the Company acquired the share held by a joint venturer in the Flavel Project, consequently, the expenses incurred to December 31, 1986, are transferred to the non-producing mining assets.

**8. Timing Differences**

The financial statements do not reflect debit deferred income taxes on timing differences. These timing differences of \$29,200,000 are available for an indefinite period.

**9. Commitments**

(i) The minimum payments relating to operating leases expiring from January 1, 1987, to April 30, 1992 and those related to the guarantee of apartment leases for use by employees of the Arthur W. White Mine for the years from 1987 to 2002 total \$2,976,920. The payments required over the next 5 years are as follows: 1987, \$341,154; 1988, \$331,137; 1989, \$333,144; 1990, \$339,561 and 1991, \$341,825.

(ii) The obligation of the Company resulting from the acquisition of mining claims in Alaska totals \$635,223 (\$460,140 U.S.) which is payable from the gold recovered from these claims and afterwards it is required to pay a 4% royalty interest on all gold subsequently mined until 95% of the total recoverable gold reserves have been mined.

Under the terms of other agreements and only if an election is made to extend the option periods, the subsidiary could have to pay \$721,552 (\$522,674 U.S.) from 1987 to 1995 and afterwards the vendors retain royalty interests which vary from 2.5% to 4.5% of the net profits derived from these claims for two of the options, while in the third option, the royalty payments are 4.5% of gross production.

(iii) A subsidiary has sold in advance a total of 3,670 ounces of gold at an average price of \$591.02 per ounce to be delivered periodically up to May 8, 1987. The market price for an ounce of gold is \$539.68 as at December 31, 1986.



## 10. Contingencies

- (i) The Company has issued a guarantee in the amount of \$276,100 (\$200,000 U.S.) as security for the payment of any amount which may become payable should a judgement be rendered in favour of the Owners of the vessel who instituted legal proceedings against the Company and its Agents following an accident which occurred during the shipment of concentrates. The claim is being contested by the Company.
- (ii) An action was commenced by Mount Pleasant Resources Inc. against Billiton Canada Limited, Billiton Metals Canada Inc. and Brunswick Tin Mines Limited (subsidiary of the Company).

As against Brunswick Tin Mines Limited, the claim is for an accounting and damages in the amount of \$10,000,000 in respect to a letter agreement between Mount Pleasant Resources Inc. and Brunswick Tin Mines Limited.

A third party claim is being made against Lac Minerals Ltd. and a cross-claiming against Billiton Canada Limited and Billiton Metals Canada Inc. for indemnity.

In the opinion of the solicitors of Brunswick Tin Mines Limited the latter should have no liability in the circumstances.
- (iii) The Company was granted financial assistance amounting to \$1,800,000 by the Government of the Province of Quebec in order to accelerate the exploration of the Flavel Project and to bring it to the production stage. The Company is committed to gradually reach production of 500 tons per day by December 31, 1987. Should the Company abandon the project, it will have to reimburse to the Government all sums received without interest.
- (iv) Included in accounts receivable is an amount of approximately \$979,000 (\$709,000 U.S.) which represents the Company's portion of contribution arrears of one of the participants of the Valdez Creek Joint Venture. In the event that this participant fails to contribute the amounts owing, the Company and the remaining participants may declare this participant in default under the terms of the Joint Venture Agreement.

In such a case, the non-defaulting participants shall, in proportion to their respective participation percentage, a) contribute their portion of the contributions in arrears, b) assume the future obligations of such defaulting participant and c) receive the interest of the defaulting participant in any proceeds attributable to its share of production from the mining claims until such time as the non-defaulting participants have received 300% of the contributions made for the defaulting participant. Consequently, the receivable would be eliminated and net assets would increase by a similar amount.

## 11. Pension Fund

The last actuarial evaluation was made on December 31, 1983 and revealed that there was no unfunded liability as at that date. The evaluation as at December 31, 1986, is presently in progress and it is anticipated that there will be no unfunded liability for the present commitments to the plan.

## 12. Subsequent Event

Pursuant to a private placement agreement finalized on January 16, 1987, the Company reserved for issuance 48,355 common shares at \$10.34 per share for a total consideration of \$500,000. These funds are to be used to incur before February 28, 1987, Canadian Exploration Expenses for the benefit of the investors.

## 13. Comparative figures

The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.

## Board of Directors

J. Jacques Beauchemin  
Lucien C. Béliveau  
William G. Brissenden  
Jean-Paul Drolet  
Claude Genest  
Louis P. Gignac  
André Latreille  
Gilles Mercure  
Jean-Pierre Ouellet  
Alexandre J. Montminy

## Officers

**Lucien C. Béliveau**  
Chairman of the Board

**Claude Genest**  
President and  
Chief Executive Officer

**Daniel Goffaux**  
Vice-president, Mines

**Boris S. Karpoff**  
Vice-president, Exploration

**Réal J. Lafleur**  
Vice-president, Finance and  
Secretary-Treasurer

**Gérald Proulx**  
General Manager, Eldrich-Flavel

**Jean Lorrain**  
Assistant-Secretary

**Alain Taillefer**  
Assistant Controller

**Earl Quon**  
Chief Accountant

## Boards of Directors of Subsidiaries and Affiliated Companies

### **Sullivan Resources Ltd.**

Claude Genest, President  
Lucien C. Béliveau  
William G. Brissenden  
Jean-Paul Drolet  
Daniel Goffaux  
Réal J. Lafleur  
André Latreille

### **FEDPEN Ltée**

Claude Genest, President  
François J. Bastien  
Lucien C. Béliveau  
Daniel Goffaux  
Réal J. Lafleur  
André Latreille

### **Courvan Mining Company Limited**

Claude Genest, President  
François J. Bastien  
Lucien C. Béliveau  
Daniel Goffaux  
André Latreille

### **SUM Resources Inc.**

Claude Genest, President  
Lucien C. Béliveau  
Jean-Paul Drolet

## Various Committees

### **Finance**

Claude Genest  
André Latreille  
Réal J. Lafleur

### **Compensation**

Lucien C. Béliveau  
William G. Brissenden

### **Audit**

J. Jacques Beauchemin  
Jean-Paul Drolet  
André Latreille







***sullivan***

This graphic represents  
the fluctuation in gold  
prices in 1986.

