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President's Report

Net earnings in 1982 amounted to \$2,674,000 or 27 cents per share compared to net earnings of \$6,299,000 or 63 cents per share in 1981. Gross revenue, including equity in earnings of an associated company, was \$3,239,000 in 1982 compared with \$6,872,000 in 1981. The statement of earnings for 1981 and the balance of retained earnings at the beginning of 1982 have been restated to reflect the effect of proposed reassessments of prior years' mining taxes in an associated company.

Wright-Hargreaves' revenue is derived primarily from its equity interest in the earnings of Lac Minerals Ltd., a gold producer, in which it has a significant direct and indirect ownership.

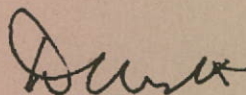
A reorganization of some of the Lac Group of Companies, which started in November 1981, was completed in December 1982. As a result, all producing and most of the non-producing assets in the Group have been moved to the newly formed operating company, Lac Minerals Ltd.

Working capital of the Company dropped to \$537,000 at the end of 1982 from \$4,376,000 in 1981. This was due to the conversion at December 31, 1982 of a demand loan made to Lac Minerals Ltd., in the amount of \$3,500,000, to a term loan maturing on January 1, 1986 and bearing interest based at the bank prime rate.

The Company and Lake Shore Mines, Limited have entered into an agreement with Lac Minerals Ltd. for the treatment of the tailings near Kirkland Lake owned by Lake Shore and Wright-Hargreaves. Following the year end, Lac Minerals paid Lake Shore \$402,000 and the Company \$84,000, representing their respective costs of exploration, research and development to January 18, 1983. Lake Shore and Wright-Hargreaves will, after the commencement of production and after Lac Minerals has recovered its costs, be entitled to a royalty equal to the greater of 2% of the net smelter return or 20% of the net profit derived from the mining and retreatment of the tailings. The royalties are to be divided between Lake Shore as to 81% and Wright-Hargreaves as to 19% pro rata in accordance with the tonnages of the tailings calculated to be owned by them. A production decision is at the entire discretion of Lac Minerals. On the abandonment of any of the claims, they will be returned to their respective owners. The combined tailings are estimated to contain 3,740,000 tons of material with an average grade of 0.077 ounces of gold per ton.

Enclosed with this annual report, is a copy of Lac Minerals Ltd.'s annual report.

On Behalf of the Board of Directors



D. C. Webster
President

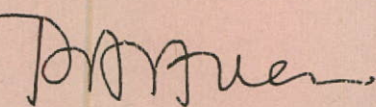
March 31, 1983

Statement of Financial Position

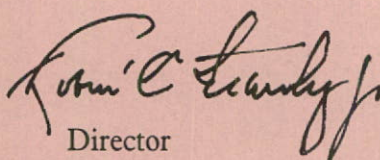
December 31, 1982

	1982	1981
Current Assets		
Cash and short-term deposits	\$ 365,000	\$ 2,574,000
Accounts receivable	10,000	54,000
Due from a Lac Group company	282,000	1,776,000
	657,000	4,404,000
Current Liabilities		
Accounts payable and accrued liabilities	66,000	18,000
Due to Lac Group companies	54,000	10,000
	120,000	28,000
Working Capital	537,000	4,376,000
Investments (note 2)	16,091,000	9,583,000
Mining Interests (note 3)	1,367,000	1,167,000
Oil and Gas Interests (note 4)	712,000	747,000
Capital Employed	18,707,000	15,873,000
Deduct		
Deferred Taxes	544,000	384,000
Shareholders' Investment	\$18,163,000	\$15,489,000
Investment Represented by		
Capital Stock		
Authorized—15,000,000 shares without par value		
Issued —9,962,877 shares	\$10,277,000	\$10,277,000
Contributed Surplus	5,000	5,000
Retained Earnings	7,881,000	5,207,000
	\$18,163,000	\$15,489,000

Approved by the Board



Director



Director

Statement of Earnings

Year Ended December 31, 1982

	1982	1981
Revenue		
Investment income	\$ 672,000	\$ 759,000
Oil and gas sales	134,000	
Gain on sale of investments		1,889,000
	806,000	2,648,000
Expenses		
Operating and administrative	397,000	185,000
Oil and gas exploration	2,000	1,000
Mineral exploration	6,000	3,000
	405,000	189,000
Earnings before income taxes	401,000	2,459,000
Income taxes	160,000	514,000
Earnings before equity in earnings of a Lac Group company	241,000	1,945,000
Equity in earnings of a Lac Group company	2,433,000	4,224,000
Earnings before extraordinary item	2,674,000	6,169,000
Reduction in income taxes as a result of the application of losses carried forward		130,000
Net Earnings	\$2,674,000	\$6,299,000
Earnings per Share		
Before extraordinary item	\$0.27	\$0.62
After extraordinary item	\$0.27	\$0.63

Statement of Retained Earnings

Year Ended December 31, 1982

	1982	1981
Retained Earnings (Deficit), Beginning of Year		
As previously reported	\$5,448,000	\$ (387,000)
Adjustment to equity in earnings of a Lac Group company (note 5)	(241,000)	(705,000)
As restated	5,207,000	(1,092,000)
Net earnings	2,674,000	6,299,000
Retained Earnings, End of Year	\$7,881,000	\$5,207,000

Statement of Changes in Financial Position

Year Ended December 31, 1982

	1982	1981
Working Capital Derived from		
Earnings before extraordinary item	\$2,674,000	\$6,169,000
Items not affecting working capital		
Equity in earnings of a Lac Group company	(2,433,000)	(4,224,000)
Dividends received from a Lac Group company accounted for by the equity method	965,000	778,000
Gain on sale of investments		(1,889,000)
Depreciation, depletion and amortization	47,000	
Deferred income taxes	160,000	384,000
Dry holes and abandonments	2,000	
	1,415,000	1,218,000
Proceeds from sale of investments		2,619,000
Deferred exploration and development costs recovered	84,000	
Reduction in advance to a Lac Group company		341,000
Reduction in income taxes as a result of the application of losses carried forward		130,000
	1,499,000	4,308,000
Working Capital Applied to		
Purchase of shares in Lac Group companies	1,539,000	1,157,000
Advances to a Lac Group company	3,500,000	
Mining interests	286,000	848,000
Oil and gas interests	13,000	18,000
	5,338,000	2,023,000
Increase (Decrease) in Working Capital	(3,839,000)	2,285,000
Working Capital, Beginning of Year	4,376,000	2,091,000
Working Capital, End of Year	\$ 537,000	\$4,376,000

Notes to Financial Statements

December 31, 1982

1. Significant Accounting Policies

(a) INVESTMENTS

The company is a member of a group of companies collectively known as the Lac Group. The principal members of this group are Little Long Lac Gold Mines Limited, Lake Shore Mines, Limited, Wright-Hargreaves Mines, Limited and Lac Minerals Ltd.

The company accounts for its 14% investment in Lac Minerals Ltd., over which it has significant influence but not majority ownership of the issued and outstanding share capital, on an equity basis.

Lac Minerals Ltd. was formed effective December 31, 1982 as a result of a reorganization of Long Lac Minerals Ltd. (No Personal Liability), Willroy Mines Limited, Les Terrains Aurifères Malartic (Québec) Limitée (Libre de responsabilité personnelle), Les Mines Est-Malartic Ltée (Libre de responsabilité personnellé) and Long Lac Mineral Exploration Limited.

Investments in other Lac Group companies where the company does not have significant influence are recorded at cost.

All other investments are recorded at cost.

The cost of investments is written down to net realizable value if any loss in value is deemed to be permanent in nature.

(b) MINING INTERESTS

Plant and equipment are stated at cost. Depreciation has not been recorded on buildings, machinery and equipment which is not currently in use.

Mining properties are stated at cost less amounts written off. Exploration and acquisition costs related to properties with recoverable mineral reserves are capitalized; other mineral exploration costs are charged to operations as incurred. Costs related to mining properties considered to be permanently uneconomic are written off.

Upon disposition the cost of mining interests is removed from the accounts and any gain or loss is taken into income.

(c) OIL AND GAS INTERESTS

All costs of acquiring leases and rights, exploring for and developing oil and gas reserves thereon are capitalized by area of interest. Such costs include property acquisition costs, geological and geophysical expenses, carrying charges and drilling costs. If it is subsequently determined that the wells drilled are dry or the property is subsequently abandoned, the related costs previously capitalized are charged to income.

Depletion of costs accumulated on producing properties is provided by the unit-of-production method based on proven reserves.

2. Investments	1982	1981
Lac Group company, at equity		
Lac Minerals Ltd.		
(quoted market value 1982, \$37,287,000; 1981, \$10,999,000)		
Shares	\$ 6,479,000	\$4,940,000
Equity in earnings	4,522,000	3,053,000
Advances	3,500,000	
	14,501,000	7,993,000
Lac Group companies, at cost		
(quoted market value 1982, \$17,413,000; 1981, \$7,780,000)	1,571,000	1,571,000
Other investments	19,000	19,000
	\$16,091,000	\$9,583,000

Because of the large number of Lac Group company shares owned, the amounts that would be realized if these investments were sold may be more or less than the quoted market value.

3. Mining Interests	1982	1981
Plant and equipment	\$ 124,000	\$ 125,000
Mining properties	34,000	34,000
Deferred exploration and development	1,209,000	1,008,000
	\$1,367,000	\$1,167,000

During the year the company optioned the right to mine its tailings to a Lac Group company, Lac Minerals Ltd. In exchange the company received \$84,000 being its exploration, research and development costs incurred on the project and the entitlement to the greater of 2% of the net smelter return, or 20% of the net profit derived from the mining and treatment of the tailings after Lac Minerals Ltd. has recovered its costs.

4. Oil and Gas Interests	1982			1981
	Cost	Accumulated depletion	Net	Net
Petroleum and natural gas leases and rights including development thereon				
Producing	\$426,000	\$46,000	\$380,000	
Non-producing	332,000		332,000	\$747,000
	\$758,000	\$46,000	\$712,000	\$747,000

5. Adjustment to Equity in Earnings of Lac Group Company

The statement of earnings for the year ended December 31, 1981, and the balance of retained earnings at January 1, 1982, have been restated to retroactively reflect the effect of proposed reassessments of prior years' mining taxes of Lac Minerals Ltd.

6. Related Party Transactions

From time to time advances are made between the company and certain Lac Group companies. Interest on such advances is calculated at bank prime rate. Included in investment income in 1982 is \$386,000 (1981, \$69,000) and in interest expense is \$74,000 (1981, nil) from these advances.

7. Segmented Data

Investing in mining and exploration companies is the principal business of the company and accordingly information segmented by industry is not applicable.

Auditors' Report

To the Shareholders of Wright-Hargreaves Mines, Limited

We have examined the statement of financial position of Wright-Hargreaves Mines, Limited as at December 31, 1982 and the statements of earnings, retained earnings and changes in financial position for the year then ended. 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, these financial statements present fairly the financial position of the company as at December 31, 1982 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 on a basis consistent with that of the preceding year.

Toronto, Canada
January 28, 1983

Thorne Riddell
Chartered Accountants

Directors and Officers

Officers

D.C. Webster
President
E.J. Wade
Senior Vice President
D.G. Sheehan
Senior Vice President
Exploration
H.E. Rutetzki
Vice President
Operations
I.T.H. Hamilton
Vice President &
General Counsel
H. Rodrigues
Secretary
R.C. Francisco
Treasurer
G.R. Dallaire
Controller

Directors

P.A. Allen
F. Cochrane
R.C. Stanley, Jr.
D.C. Webster

Audit Committee

P.A. Allen
R.C. Stanley, Jr.
D.C. Webster

