



1980 ANNUAL REPORT
BETHLEHEM COPPER CORPORATION

Corporate Information

Directors

M. N. Anderson
Chairman & Chief Executive Officer
Cominco Ltd.

R. P. Douglas
Senior Vice President, Operations
Cominco Ltd.

P. A. Manson
Vice President, Law & General Counsel
Cominco Ltd.

S. Nagamine
Managing Director
Sumitomo Corporation

O. E. Owens
Vice President, Exploration
Cominco Ltd.

B. J. Reynolds
President & Chief Executive Officer
Bethlehem Copper Corporation

W. G. Wilson
President
Cominco Ltd.

Officers

Bryan J. Reynolds
President and Chief Executive Officer

Thomas P. Liss
Senior Vice President, Operations

Keith E. Steeves
Senior Vice President,
Finance and Administration

Richard A. Mundie
Vice President, Treasurer and Secretary

Clifford W. Overton
Vice President,
Highland Valley Operations

Alfred A. Burgoyne
Vice President, Exploration

Auditors

Arthur Andersen & Co., Vancouver

Solicitors

Lawrence & Shaw, Vancouver

Offices

Head Office:
Suite 2100
1055 West Hastings Street
Vancouver, B.C. V6E 2H8

Mine Office:
P.O. Box 520
Ashcroft, B.C. V0K 1A0

Exchange Listings

Vancouver and
Toronto Stock Exchanges

Registrar

The Royal Trust Company, Vancouver

Transfer Agents

The Royal Trust Company, Vancouver,
Calgary and Toronto, Canada

Registrar and Transfer Company,
Jersey City, New Jersey, U.S.A.

Bethlehem Copper Corporation

Financial Highlights

	1980	1979
		(Restated)
Net earnings		
Before extraordinary item	\$ 7,534,000	\$13,724,000
After extraordinary item	\$20,072,000	\$13,724,000
Earnings per share		
Before extraordinary item	\$ 1.18	\$ 2.17
After extraordinary item	\$ 3.15	\$ 2.17
Dividends per share	\$ 1.00	\$.80
Employees	470	396
Total company payroll	\$11,290,000	\$ 8,805,000
Capital expenditures	\$ 4,979,000	\$ 2,244,000
Exploration and development	\$ 2,554,000	\$ 2,082,000
Direct taxes paid	\$13,170,000	\$11,964,000
Working capital	\$77,896,000	\$65,480,000



Report to Shareholders

Financial

Net earnings for 1980, including extraordinary items, were \$20,072,000 or \$3.15 per share, compared with \$13,724,000 or \$2.17 per share for 1979. Although copper concentrate shipments during the year were higher than 1979, increased operating costs reduced mine earnings. Copper prices, which weakened during the fourth quarter are expected to remain weak into the third quarter of 1981, at which time a stronger trend should re-establish itself and continue through 1982.

As already reported to you, all of the company's shares of Frio Oil Ltd. were sold in December 1980 for \$19,182,207. After deducting appropriate tax, an extraordinary profit of \$12,538,000 or \$1.97 per share was recorded and is included in earnings for the year.

Operations

Highland Valley mine operations encountered metal recovery and grade maintenance problems during the second half of 1980 which contributed to higher operating costs during the year. All of these problems are now substantially resolved. However, an overall general

increase in operating costs and current depressed copper prices will adversely affect mine operation results during the current year.

As at December 31, 1980 reserves in the Jersey Mine are calculated at 53,322,000 tons grading 0.42% copper. Two and one half million tons of ore reserves which were not amenable for treatment in the existing mill were deleted from the reserves during the year.

Lake Zone

In the last quarter of 1980 and the first quarter of 1981 Cominco Ltd. increased its ownership in Bethlehem from 39% of the outstanding shares to approximately 93%. Cominco now owns a majority interest in both Bethlehem and Valley Copper Mines Ltd., which, in turn, jointly own the Lake Zone ore deposit. Studies of the best method to exploit the deposit continue and it is expected a decision on the project will be made before the end of this year.

Acknowledgements

In the first quarter of 1981 Messrs. Robert H. Allen, Jack A. McLallen, Plato Malozemoff, Hugh A. Martin, John L. Nichol, Patrick M. Reynolds, Alan G. Thompson, Jack E. Thompson and Frank G. Woodruff resigned as Bethlehem directors. All have been involved with Bethlehem for considerable time, Messrs. McLallen, Reynolds and Martin from its beginnings. Their contributions have been greatly appreciated. Concurrent with these resignations, the present directors, other than Mr. S. Nagamine and Mr. B.J. Reynolds, were appointed.

On behalf of the Board

Bryan J. Reynolds
President and Chief Executive Officer

March 31, 1981

Operations Report

Operations

Mine	1980	1979	Variance
Ore mined — wet tons (includes stockpile ore to crusher)	9,147,008	8,750,396	4.53 +
Waste mined — wet tons . .	15,146,052	8,640,916	75.28 +
Total mined — wet tons . . .	24,293,060	17,391,312	39.69 +
Stripping ratio	2.02/1	1.12/1	80.36 +

Plant

Ore milled — dry tons	6,924,461	7,193,076	3.73 -
Rate per calendar day — dry tons	18,919	19,707	4.00 -
Feed — percent copper . . .	0.38	0.41	7.32 -
Concentrate — percent copper	28.17	40.16	29.86 -
Pounds copper recovered .	41,833,895	46,013,293	9.08 -
Recovery — percent copper	79.54	78.78	.96 +
Pounds Mo recovered	289,715	581,452	50.17 -
Recovery — percent Mo . .	52.72	71.56	26.33 -

Cost of Production	\$ Per Ton Milled		¢ Per Lb. Produced	
	1980	1979	1980	1979
Direct operating costs (mining, milling, overhead & transportation)	4.82	3.81	79.74	59.63
Depreciation52	.36	8.58	5.58
Total Production Costs . . .	5.34	4.17	88.32	65.21
Increase	28.1%		35.4%	

Mining

Following the completion of mining in the Iona Pit in late 1979, mining activities shifted entirely to the Jersey Pit in 1980. Ore was derived from the lower levels of the south side while waste removal was carried out on the upper levels of the expansion to the east. A horizon of low grade ore encountered in August required an increase in the stripping ratio from 2.0:1 to 2.4:1 for the remainder of the year. The corrective action was successful in restoring the average ore grade by year end. Additionally sufficient ore was developed on the upper levels to enable phasing this material in as mill feed.

During the period from January to August, mine waste was transported and placed as construction material on the Trojan tailings dam. As in the past years, waste production was curtailed for three weeks in July to provide for employee vacations. Two new 100 ton trucks were purchased and placed into service by year end.

Milling

Ore from the Jersey Pit expansion is harder than previous ores and the mineralization is more finely disseminated resulting in slightly lower throughput and copper recovery. The copper mineralization displayed a much higher than normal chalcopyrite-pyrite to bornite ratio resulting in lower copper concentrate grades and higher marketing charges.

The molybdenum plant operated satisfactorily during the year. Molybdenum production decreased significantly with the change to the Jersey Expansion ore which has a lower molybdenum content.

Personnel

During the course of the year there were no work stoppages or other labour disruptions. Late last year an agreement was reached with the union employees to increase labour rates to make them more competitive and to extend the contract for sixteen months to October 31, 1982.

Personnel turnover was average for the year. We were able to successfully increase our training programs in certain critical trade areas in order to cope with present and future shortages.

Exploration: 1980

1980 proved to be a very exciting year for exploration and development. Bethlehem operated and participated in fifteen exploration projects in British Columbia, Washington, Nevada, Manitoba and Ontario. Highlighting this years exploration and development programs were favourable results from the Buckhorn gold-silver deposit in Nevada, the Fish Lake porphyry copper-gold and the Capoose Lake volcanogenic silver deposits in British Columbia.

Buckhorn Mine

On behalf of its Nevada joint venture, Bethlehem has completed an extensive exploration and development program on the Buckhorn gold-silver deposit located in north-central Nevada. To date four separate mineralized zones, North Buckhorn, South Buckhorn, North Aspen and South Aspen have been identified and the first three explored in varying degree. Two separate phases of rotary drilling which totaled 12,459 meters in 246 holes were completed in 1980. The greatest amount of drilling was completed on the North Buckhorn deposits and reserves calculations by polygonal methods for the first phase of drilling from this deposit range from 4,375,000 tons grading, 0.061 oz/ton gold and 0.79 oz/ton silver with a gold cutoff grade of 0.050 oz/ton to 1,463,000 tons grading 0.122 oz/ton gold and 1.43 oz/ton silver with a gold cutoff grade of 0.015 oz/ton. Additional reserves have also been defined on the North Buckhorn, South Buckhorn and North Aspen zones.

Concurrent with the drilling program, preliminary studies for possible development of the North Buckhorn Zone were initiated. The studies will include metallurgy, plant design, capital and operating cost estimates.

Fish Lake

Bethlehem has an option to acquire an 80% interest in the Fish Lake copper-gold-silver porphyry deposit located southwest of Williams Lake, B.C.

Exploration drilling in the 1960's and early 1970's defined a zone of mineralization with indicated and inferred reserves of 156 million tons grading 0.25% copper and 0.014 ounces/ton of gold.

During 1980 exploration work included geochemical surveys and 2,158 meters of percussion drilling totalling

23 holes. Several holes anomalous in gold content were defined.

On the Fish Lake Deposit detailed geological studies, metallurgical research and preliminary capital and operating cost studies were undertaken.

An aggressive exploration and development program is currently being carried out on the property with the following objectives:

i) On the Fish Lake porphyry copper-gold deposit; to improve the confidence level of the reserves by extensive large core diamond drilling. This will include the deepening of existing holes to confirm reserves at depth and the completion of a more detailed drilling grid.

A drilling program totalling 9,000 meters is currently underway.

ii) Peripheral areas to the main Fish Lake Deposit that contain anomalous gold as defined by the 1979/80 percussion drilling, will be further explored through completion of electromagnetic and other geophysical surveys and a minimum of 1,000 meters of diamond drilling.

Capoose Lake

The Capoose Lake Project is located in Central B.C. southwest of Vanderhoof; it is a joint venture between Granges (75%), the Operator, and Bethlehem (25%), and is designed to explore a large block of favourable ground by geophysical and diamond drilling surveys. During 1980 twenty-two holes totalling 3,700 meters were completed in an area of low grade silver-gold mineralization. Several northerly trending zones of mineralization have been defined, the two most easterly zones total several million tons grading, 1.08 oz/ton silver and 0.01 oz/ton gold.

The 1981 program will include an expanded drilling program totalling some 6,000 meters in an effort to define reserves and mineralization grade. Road construction, engineering and preliminary feasibility studies will be initiated. Also large parts of the property of high potential remain to be explored.

Consolidated Balance Sheet

December 31, 1980 and 1979

Assets

	<i>(in thousands)</i>	
	1980	1979
		(Restated)
Current Assets:		
Cash and short-term deposits	\$ 50,306	\$ 46,120
Marketable securities, at lower of cost and market value	1,853	4,241
Accounts receivable (Notes 1 and 2)	24,190	17,583
Inventories —		
Concentrates (Note 1)	1,917	6,823
Materials and supplies, at average cost	4,663	3,719
Total current assets	\$ 82,929	\$ 78,486
Investments (Note 3)	3,377	3,711
Property, Plant and Equipment (Note 4)	22,946	21,591
	<u>\$ 109,252</u>	<u>\$ 103,788</u>

Liabilities and Shareholders' Equity

Current Liabilities:		
Accounts payable and accrued liabilities	\$ 3,655	\$ 4,135
Income and other taxes	1,348	8,842
Current portion of long-term liabilities	30	29
Total current liabilities	\$ 5,033	\$ 13,006
Long-term Liabilities:		
Mineral property agreements and mortgages on employee housing	\$ 364	\$ 394
Accumulated Provision for Future Income and Resource Taxes (Note 5)	\$ 2,202	\$ 3,680
Shareholders' Equity:		
Share capital (Note 6) —		
Outstanding —		
6,628,964 shares without par value (1979 — 6,537,982 shares)	\$ 5,493	\$ 4,247
Contributed surplus	24,274	24,274
Retained earnings	74,059	60,360
	\$ 103,826	\$ 88,881
Less: 193,600 shares owned by the Company	2,173	2,173
Approved by the Directors:	<u>\$ 101,653</u>	<u>\$ 86,708</u>
	<u>\$ 109,252</u>	<u>\$ 103,788</u>

 Director

 Director

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

Consolidated Statement of Earnings

for the years ended December 31, 1980 and 1979

	<i>(in thousands)</i>	
	1980	1979 (Restated)
Revenues:		
Concentrate sales	\$ 51,825	\$ 51,549
Interest and investment income	6,883	5,213
	<u>\$ 58,708</u>	<u>\$ 56,762</u>
Expenses:		
Cost of sales and administrative	\$ 39,122	\$ 26,846
Depreciation	3,624	2,568
Exploration	2,554	2,082
	<u>\$ 45,300</u>	<u>\$ 31,496</u>
Operating income	\$ 13,408	\$ 25,266
Income and Resource Taxes	<u>5,736</u>	<u>11,629</u>
Earnings Before The Undernoted	\$ 7,672	\$ 13,637
Share of Net Income (Loss) of Non-consolidated Affiliates (Notes 1 and 2)	(138)	87
Earnings Before Extraordinary Item	\$ 7,534	\$ 13,724
Extraordinary Item:		
Gain on sale of Frio Oil Ltd., net of income taxes thereon of \$4,504,000 (Note 2)	12,538	—
Net Earnings	<u>\$ 20,072</u>	<u>\$ 13,724</u>
Earnings Per Share:		
Before extraordinary item	\$ 1.182	\$ 2.169
After extraordinary item	<u>\$ 3.148</u>	<u>\$ 2.169</u>

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

Consolidated Statement of Retained Earnings

for the years ended December 31, 1980 and 1979

	<i>(in thousands)</i>	
	1980	1979 (Restated)
Balance, Beginning of Year, as previously reported	\$ 59,360	\$ 50,702
Add: Adjustments of income and mining tax provision for periods prior to January 1, 1979 (Note 5)	1,000	1,000
Balance, Beginning of Year, as restated	\$ 60,360	\$ 51,702
Add: Net earnings	20,072	13,724
	<u>\$ 80,432</u>	<u>\$ 65,426</u>
Deduct: Dividends paid	6,373	5,066
Balance, End of Year	<u>\$ 74,059</u>	<u>\$ 60,360</u>

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

Consolidated Statement of Changes in Financial Position

for the years ended December 31, 1980 and 1979

	<i>(in thousands)</i>	
	1980	1979
		(Restated)
Working Capital Provided From:		
Earnings before extraordinary item	\$ 7,534	\$ 13,724
Add (deduct):		
Items not requiring an outlay (receipt) of working capital —		
Depreciation	3,624	2,568
Provision for future taxes	—	433
Share of net (income) loss of non-consolidated affiliates	138	(87)
From operations	\$ 11,296	\$ 16,638
Proceeds from the sale of Frio Oil Ltd. shares of \$19,182,000 net of income taxes of \$4,504,000	14,678	—
Issue of shares	1,246	310
Sale of property, plant and equipment	147	183
Other	—	50
	<u>\$ 27,367</u>	<u>\$ 17,181</u>
Working Capital Applied To:		
Dividends	\$ 6,373	\$ 5,066
Purchase of property, plant and equipment	5,126	2,427
Investments	1,944	—
Reduction in accumulated provision for future income and resource taxes	1,478	—
Reduction in long-term liabilities	30	29
	<u>\$ 14,951</u>	<u>\$ 7,522</u>
Increase in working capital	\$ 12,416	\$ 9,659
Working Capital, Beginning of Year	<u>65,480</u>	<u>55,821</u>
Working Capital, End of Year	<u>\$ 77,896</u>	<u>\$ 65,480</u>

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

Auditors' Report

To the Shareholders, Bethlehem Copper Corporation:

We have examined the consolidated balance sheet of BETHLEHEM COPPER CORPORATION (a British Columbia company) and subsidiaries as of December 31, 1980 and 1979, and the consolidated statements of earnings, retained earnings and changes in financial position for the years 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, the accompanying consolidated financial statements present fairly the financial posi-

tion of Bethlehem Copper Corporation and subsidiaries as of December 31, 1980 and 1979, and the results of their operations and the changes in their financial position for the years then ended in accordance with generally accepted accounting principles consistently applied during the periods.

January 23, 1981
Vancouver, Canada

Arthur Andersen & Co.
Chartered Accountants

Notes to Consolidated Financial Statements

December 31, 1980 and 1979

1. Significant Accounting Policies

(a) Principles of Consolidation

The accounts of those subsidiary companies in which the Company holds at least 50% and controlling interest are consolidated in these statements. The Company's interests in affiliated companies, in which it has significant, but not controlling share ownership, are accounted for on the equity method.

(b) Currency Translation

Current assets in foreign currencies are translated into Canadian funds at the rates of exchange applicable at the balance sheet dates. Sales are translated at the rate of exchange in effect on the date of the transaction.

(c) Exploration and Development Costs

Exploration and development costs of mining properties are expensed until an orebody is considered to have economic feasibility, at which time all further costs are capitalized to be amortized against future production revenue from that orebody.

(d) Depreciation

Depreciation of mine buildings, mill equipment and roads is recorded on a straight-line basis over the estimated life of the ore reserves available to the mill. Mine mobile equipment is depreciated on a unit-of-use basis over its estimated productive life. Other equipment is depreciated over its estimated productive life. Mining rights and surface rights at the mining operation are recorded at original cost without amortization.

(e) Concentrate Sales and Inventory

Revenue is recorded at the time of shipment of concentrate to customers. Concentrate inventories are adjusted at the end of each accounting period to the lower of production cost or estimated net realizable value.

(f) Income Taxes

The tax allocation basis of accounting for income taxes is followed with respect to all differences between the time when costs and revenues are recognized for tax purposes and when they are recorded in the statement of earnings.

2. Frio Oil Ltd.

In December, 1980, the Company sold its 50.05% interest in Frio Oil Ltd. for \$19,182,000 payable on January 15, 1981.

In 1979, a minority shareholder of Frio Oil Ltd. obtained an injunction restricting the Company's ability to exercise certain aspects of control. Pending the outcome of the Company's appeal to the injunction, the accounts of Frio were consolidated with those of the Company in the 1979 financial statements.

In 1980, the Company lost its appeal of this injunction. Due to the restriction on the Company's ability to control Frio, the 1979 financial statements have been restated so that they and the 1980 financial statements use the equity method to account for the investment in Frio.

3. Investments

Investments include the following:

Investments	Approximate Ownership	Recorded at	<i>(in thousands)</i>	
			1980	1979
				(Restated)
Minera Xitle S.A. de C.V.	49%	Equity	\$ 28	\$ 28
Frio Oil Ltd.	50%	Equity	—	2,252
*Bar Resources Ltd.	28%	Equity	1,760	—
Other investments —				
*Valley Copper Mines Limited (N.P.L.)	5%	Cost	1,046	1,046
*International Ionarc Inc.	3%	Lower of cost and market	25	31
*Taseko Mines Ltd. (N.P.L.)		Cost	20	—
*Bonds, debentures and security deposits		Lower of cost and market	156	159
Employee housing agreements and property		Cost	342	195
			<u>\$ 3,377</u>	<u>\$ 3,711</u>

*Publicly traded. The aggregate quoted value at December 31, 1980 was \$25,741,000 (1979 — \$9,427,000).

4. Property, Plant and Equipment

The following is a summary of property, plant and equipment, at cost:

	<i>(in thousands)</i>	
	1980	1979
		(Restated)
Buildings, equipment and roads	\$ 44,958	\$ 40,193
Less — Accumulated depreciation	24,812	21,395
	\$ 20,146	\$ 18,798
Mineral claims	330	330
Land	2,470	2,463
	<u>\$ 22,946</u>	<u>\$ 21,591</u>

5. Prior Period Adjustment

As a result of income tax reassessments applicable to the years 1970 to 1974, the balance of retained earnings and accumulated provision for future income and resource taxes as at January 1, 1979 have been restated to reflect taxes refundable of \$1,000,000.

6. Share Capital

In September, 1980, the Company entered into agreements giving six officers of the Company rights to purchase 125,000 common shares at a price of \$22.50 per share. The employees have the option of purchasing shares or surrendering the options upon exercise of share appreciation rights in an amount equal to the difference between the option price and the market value of the shares on the day preceding the date of surrender.

Officers and employees of the Company had the following option transactions:

	1980		1979	
	Number of Shares	Price	Number of Shares	Price
Exercised and fully paid	90,982	\$1,247,000	28,685	\$310,000
Unexercised	119,333	\$11.14 to \$22.50 per share	88,315	\$9.56 to \$12.00 per share

Subsequent to December 31, 1980 options for 119,333 shares were exercised; 66,000 shares were purchased for total cash consideration of \$1,360,040; options on 53,333 shares were surrendered pursuant to share appreciation rights and the Company paid out \$933,328 in settlement thereof.

At the 1979 annual general meeting of the shareholders, special resolutions were passed removing all special rights and restrictions attached to the Class A and Class B shares of the Company and increasing the authorized capital of the Company to 20,000,000 common shares without par value.

7. Remuneration of Directors and Senior Officers

The aggregate direct remuneration of directors and senior officers for the year ended December 31, 1980 was \$651,000 (1979 — \$610,000).

8. Pension and Retirement Plans

The Company has two voluntary pension plans for staff employees. The basic plan covers all staff employees who elect to participate and the executive plan provides supplementary benefits to nine senior management personnel. Company policy is to currently fund all pension costs, including past service costs.

An actuarial review completed at the end of 1980 indicated a funding surplus of approximately \$400,000.

9. Mineral Land Tax Act

During 1978, the Supreme Court of British Columbia ruled that prior Mineral Land Tax assessments were invalid and that taxes amounting to \$1,752,000 paid thereon are to be refunded to the Company. In June, 1979, the provincial government passed retroactive legislation correcting the deficiencies in the Regulations. The Company, together with other mining companies, is proceeding with an appeal to have the claims considered without the effect of the retroactive legislation. Pending the final outcome, no recognition of any potential refund has been made in the accounts.

10. Segmented Information

The Company's main sources of revenue are from concentrate sales, primarily to customers outside of Canada, and short-term investments.

11. Contingencies

During 1980, a dispute developed between the Company and one of its customers concerning the quantities to be delivered under a molybdenum concentrate sales contract.

The disputed concentrates were sold to a third party in 1981 and the Company has commenced the arbitration procedures required to settle the dispute. If the Company is successful in the arbitration, 1981 concentrate revenues will be increased by approximately \$1,700,000.

Five Year Summary

Operations

(all dollar amounts in the thousands except per share figures)

	1980	1979	1978	1977	1976
		(Restated)			
Concentrate sales	\$ 51,825	\$ 51,549	\$ 25,175	\$ 26,971	\$ 24,374
Average price per lb. of copper					
— U.S. cents	95.83	94.06	62.42	60.07	63.70
Investment income	\$ 6,883	\$ 5,213	\$ 4,073	\$ 4,208	\$ 4,798
Net earnings					
— Before extraordinary item	\$ 7,534	\$ 13,724	\$ 4,449	\$ 904	\$ 1,391
— After extraordinary item	\$ 20,072	\$ 13,724	\$ 4,449	\$ 904	\$ 1,685
Earnings per share					
— Before extraordinary item	\$ 1.18	\$ 2.17	\$.70	\$.14	\$.22
— After extraordinary item	\$ 3.15	\$ 2.17	\$.70	\$.14	\$.27
Number of shares issued	6,435,364	6,344,382	6,315,697	6,312,697	6,277,697
Dividends on shares	\$ 6,373	\$ 5,066	\$ 3,789	\$ 3,777	\$ 3,759
— per share	\$ 1.00	\$.80	\$.60	\$.60	\$.60
Capital expenditures	\$ 4,979	\$ 2,244	\$ 771	\$ 553	\$ 6,999
Employment — employment costs	\$ 11,290	\$ 8,805	\$ 6,924	\$ 6,903	\$ 7,252
— number of employees ..	470	396	357	340	402
Exploration expense	\$ 2,554	\$ 2,082	\$ 1,408	\$ 1,314	\$ 1,296
Income and resource taxes	\$ 5,736	\$ 11,629	\$ 3,492	\$ 574	\$ 896
Production					
— dry tons milled (000)	6,924	7,193	7,155	6,123	7,456
— average head grade — %38	.41	.41	.43	.44
— pounds of copper produced (000) ...	41,834	46,013	47,761	45,528	55,123

Financial Position

	1980	1979	1978	1977	1976
		(Restated)			
Assets Employed:					
Current assets	\$ 82,929	\$ 78,486	\$ 62,461	\$ 57,421	\$ 63,357
Deduct: Current liabilities	5,033	13,006	6,774	3,244	9,313
Working capital	\$ 77,896	\$ 65,480	\$ 55,687	\$ 54,177	\$ 54,044
Capital assets	22,946	21,591	27,558	23,737	26,356
Investments	3,377	3,711	1,509	2,160	2,047
	<u>\$ 104,219</u>	<u>\$ 90,782</u>	<u>\$ 84,754</u>	<u>\$ 80,074</u>	<u>\$ 82,447</u>
Represented by:					
Long-term liabilities	\$ 364	\$ 394	\$ 1,539	\$ 458	\$ 480
Accumulated provision for future income and resource taxes	2,202	3,680	5,282	3,570	3,456
Minority interest	—	—	1,193	—	—
Shareholders' equity	101,653	86,708	76,740	76,046	78,511
	<u>\$ 104,219</u>	<u>\$ 90,782</u>	<u>\$ 84,754</u>	<u>\$ 80,074</u>	<u>\$ 82,447</u>
Return on assets employed					
— Before extraordinary item	7.2%	15.1%	5.2%	1.1%	1.7%
— After extraordinary item	19.3%	15.1%	5.2%	1.1%	2.0%
Return on shareholders' equity					
— Before extraordinary item	7.4%	15.8%	5.8%	1.2%	1.8%
— After extraordinary item	19.7%	15.8%	5.8%	1.2%	2.1%
Price range of shares traded on Toronto Stock Exchange	\$40-18¼	\$22-15½	\$17½-12¼	\$19½-11¼	\$14¼-10¾