WESTMIN RESOURCES LIMITED

ANNUAL REPORT 1983

WESTMIN

Corporate Profile

Westmin Resources Limited is a diversified natural resource exploration and development company with interests in oil, natural gas, base metals, precious metals and industrial minerals.

On September 1, 1983, the Company became part of the Brascade Resource Inc. group when the latter acquired a 63% fully diluted interest in Westmin from Brascan Limited.

At Myra Falls, inland from Campbell River on Vancouver Island, construction and underground development is well underway towards a three-fold increase in production.

Westmin's oil production, especially in the Lindbergh area of east-central Alberta, is showing accelerating year-to-year increases. Sales of natural gas are moderately higher with reserves and gas plants in place to profit from anticipated demand growth.

Regular coal royalty revenue continues to increase with long-term growth tied to Crown royalty rates and the rate of inflation.

Continued growth should result from petroleum land acquisitions and several of the more advanced exploration programs involving both metals and hydrocarbons.

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Metric Conversion

Canada commenced the changeover to "metric" on January 1, 1979. This measurement system is known as the International System of Units or SI. In this Annual Report, in the interests of familiarity and consistency, measurements are given in standard Imperial units. For those wishing to convert to SI, we provide the following table.

To convert from	To	Multiply By
Thousand cubic feet (mcf) gas	Cubic metres (m^3)	28.169
Barrels (bbls) oil	Cubic metres (m^3)	0.159
Feet	Metres (m)	0.305
Miles	Kilometres (km)	1.609
Acres	Hectares (ha)	0.405
Tons	Tonnes	0.907

Corporate Highlights

WESTMIN

	1983	1982
Financial		
($000's except per share amounts)		
Gross revenues	**128,687**	124,874
Net earnings	**40,026**	39,812
Per share	**.66**	.65
Funds from operations	**70,453**	72,183
Working capital	**140,452**	76,364
Capital expenditures	**68,054**	77,152
Mineral exploration	**3,383**	4,283
Total assets	**546,508**	419,656
Operating		
Gross natural gas production		
Million cubic feet per day	**44**	41
Gross crude oil and gas liquids production		
Barrels per day	**3,362**	2,633
Mineral production		
Average daily tons	**928**	930
Gross proven reserves		
Sales gas		
Millions of cubic feet	**386,417**	410,635
Crude oil and natural gas liquids		
Thousands of barrels	**10,775**	9,652
Ore — Tons	**883,000**	1,021,400
Land Holdings		
Thousands of gross acres	**8,704**	8,315
Thousands of net acres	**2,476**	1,761

Annual General Meeting

The Annual General Meeting of Westmin Resources Limited will be held on Wednesday, April 11, 1984, at 2:00 p.m. in the Hotel Vancouver, Vancouver, British Columbia.

To The Shareholders

Westmin Resources record revenues and earnings in 1983 mark the eighth consecutive year of earnings growth for the Company. This was accomplished despite depressed gas markets and a strike at the Myra Falls complex which began on November 16 and continued through year-end.

Net earnings rose to $40,026,000 from $39,812,000. After provision for dividends on the Class A and B preferred shares, net per common share amounted to 66¢ versus 65¢ the previous year.

Total revenues also reached a record $128,687,000, up from $124,874,000, while cash flow amounted to $70,453,000 versus $72,183,000 in 1982.

Augmented by some $50 million received in 1983 from a private placement of treasury common shares, which were taken up by a relatively large group of Canadian financial institutions and funds, working capital increased to $140,152,000 as of December 31, 1983 from $76,364,000 a year earlier. Capital expenditures during the year amounted to $68,054,000.

During 1983, Westmin doubled the annual rate of dividends on the common shares to 20¢ per share, reflecting the Company's earnings growth and the Directors' confidence in the future.

Petroleum Division

Petroleum Division cash flow and earnings were at all time highs. Oil and condensate sales increased 27.5% to a daily average of 3,362 barrels per day from 2,634 in 1982. In spite of weak markets, sales of natural gas were up 5.9% to an average of approximately 44 million cubic feet per day.

Production rates for oil kept climbing throughout the year as a total of 50 new wells were completed in the Lindbergh area alone. Development of this mineral title acreage is low risk and production qualifies for New Oil Reference Prices (NORP). Enhanced recovery of this low gravity oil is making an increasing contribution to production. The continuing success of Westmin's "huff and puff" steam stimulation program now includes seven wells under varying cycles of stimulation or production.

Westmin was again among the dozen most active operators in Alberta, participating in the drilling of 137 wells, of which 75 were completed as oil wells, 31 as gas wells and 31 were dry holes. In addition, other operators drilled 33 wells on Westmin lands at no cost to the Company. This drilling resulted in 17 oil and nine gas wells in which the Company retained a royalty interest. Westmin's overall success ratio for 1983 was 77%, the same as the year before.

At year end, proven reserves of crude oil and natural gas liquids stood at 10.8 million barrels, 11.3% above the year earlier figure. Total proven and probable reserves increased 1.6% to 83.9 million barrels.

Since market conditions did not justify drilling to prove up new reserves of natural gas, the total proven slipped 6% to 386.4 billion cubic feet. The proven and probable total was off a similar percentage to 492 Bcf.

McDaniel & Associates Consultants valued all petroleum reserves at $405.3 million as of the year end on a before tax, 15% discount basis.

Mining Operations

The mines at Myra Falls showed an operating profit of $5,766,000 compared with $9,467,000 in the prior year. Although metal prices on average were higher than the very low levels experienced in 1982, they did not meet expectations for a strong recovery year.

The strike, which began November 16 and continued well into the first quarter of 1984, exacerbated the situation by halting production. While the strike interrupted construction on the H-W mine and mill expansion, it is anticipated that an accelerated summer program can make up some of the time lost.

For the year as a whole, production declined 13.6% from 1982 levels to 273,787 tons, with 77% of the ore milled coming from the Lynx mine and the remainder from Myra.

Net smelter returns amounted to $29.2 million versus $33.3 million. Again, the strike had the effect of increasing average operating cost per ton to a little over $81 from just under $71 the previous year. Once the new H-W project comes on stream, with its more cost efficient mining methods, these costs should be dramatically reduced.

Outlook

In last year's Annual Report Westmin expressed some doubts about the extent and timing of the economic recovery and it now appears that these reservations were well founded. To be sure, the recovery is continuing at a slower pace and is less broadly based than had generally been anticipated. However, the economy is moving in the right direction and should ease into a more sustainable recovery. Consequently, we are looking at the 1983-84 period as a time of transition to a more substantial improvement in 1985.

Overall, it can be argued that Westmin has performed exceptionally well during the 1980's, with successive annual records in revenues and earnings, while many resource companies are still struggling to shake off the effects of the recession. However, Westmin's success has been hard won. It is due to a unique combination of a broad asset base, financial depth and fortuitous timing. These qualities should continue to carry the Company through a difficult 1984 to the more favourable business climate predicted for 1985.

In the Petroleum Division, there are signs that crude oil prices have at least stabilized. Westmin's crude production should continue to accelerate with 62 additional wells being drilled at Lindbergh plus another 12 in other low gravity producing areas. This will bring the total on production to in excess of 200 wells. In addition, the steam stimulation program is working well and Westmin plans to initiate an expanded pilot thermal project on ten-acre spacing in the Lindbergh field. This will involve the drilling of 12 directional wells, which along with four existing wells, will fully develop 160 acres for the installation of permanent thermal recovery facilities as the first phase in a larger scale tertiary recovery program.

There are also strong indications that the oversupply of natural gas is diminishing and prospects appear more positive for an equitable solution to the U.S. export market price dispute. Westmin is fortunate in that most of its proven gas reserves are located in Alberta and all but about 9% of the total is dedicated to current or near future contracts.

Royalties from coal and industrial minerals will continue to climb under the escalation clauses of contracts concluded in 1982. Income from these sources should exceed $5 million in 1984.

Although cash flow from the Mining Division has been disappointing in recent years, there is room for optimism here as well. Metal prices should continue to firm as the economic recovery rekindles demand. Production should triple in 1985 with completion of the H-W mine-mill project. Despite the protracted strike, management is confident that some of the time lost in the construction program can be made up.

Westmin is maintaining a vigorous mineral and petroleum exploration program designed to broaden and diversify its operations.

Financially, the company is strong with some $140,000,000 in working capital — mostly in short-term investments. Project financing for the H-W complex is in place and Westmin's regular lines of credit remain intact. This places the company in an excellent position for expansion, both internally or by acquisition, as desirable opportunities can be identified.

Although the strike will have a dampening effect on results for 1984, the company continues its expansionary mode, and looks forward to 1985, when the large capital programs in both petroleum and mining should make significant contributions to earnings.

The Directors would like to take this opportunity to express their appreciation of the dedicated efforts of all staff that have made a difficult year a successful one. The Board would also like to acknowledge the services of Dr. W. H. Gross who retired from the Board during the year and to welcome M. Gilles Dionne and M. Andre Saumier who will be standing for election at the Annual Meeting of the Company.

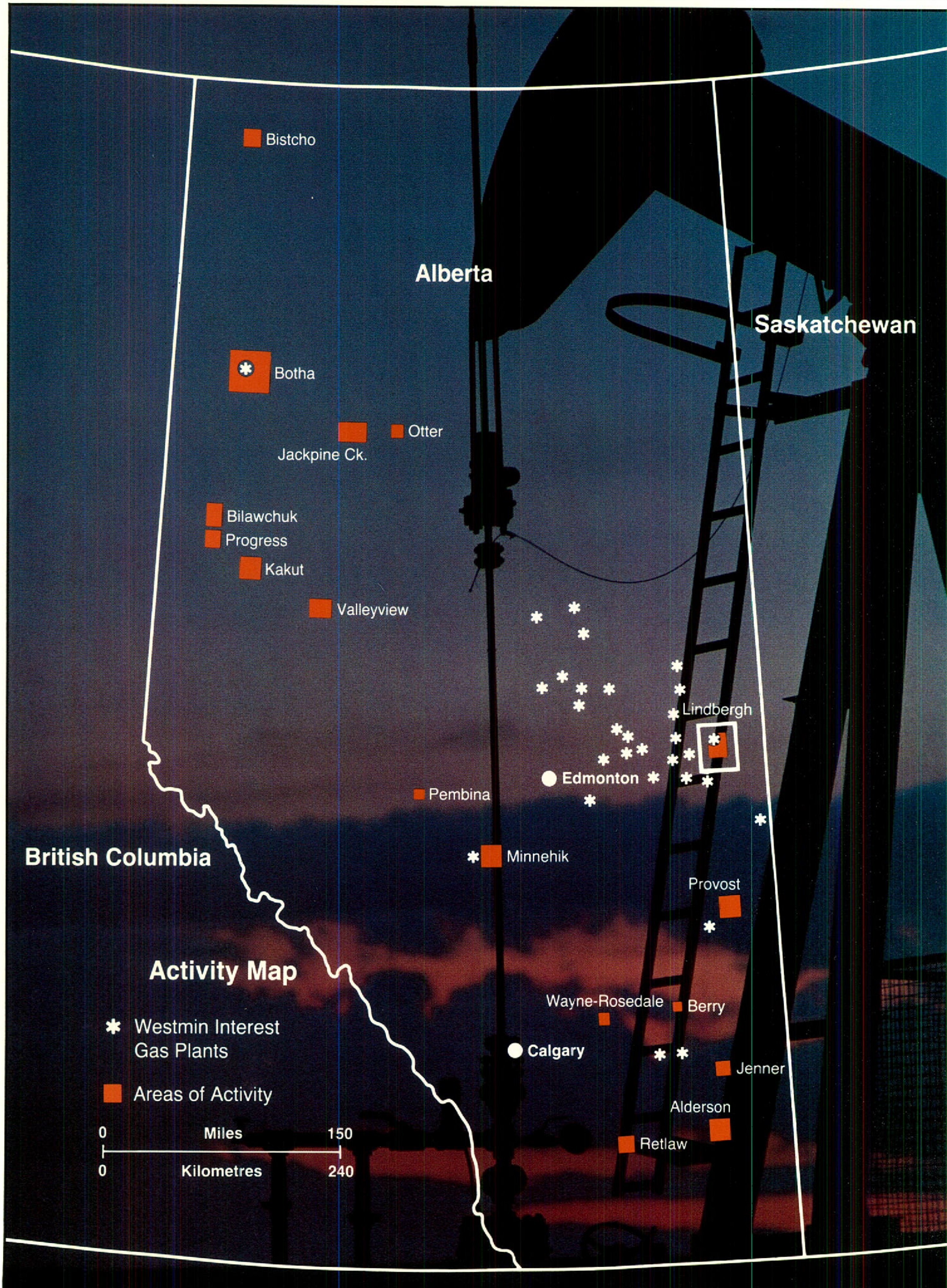
On behalf of the Directors.

A. W. Farmilo

A. W. FARMILO
Chairman of the Board

PAUL M. MARSHALL
President and Chief
Executive Officer

March 1, 1984


Alberta
Saskatchewan
British Columbia
Bistcho
Botha
Otter
Jackpine Ck.
Bilawchuk
Progress
Kakut
Valleyview
Lindbergh
Edmonton
Pembina
Minnehik
Provost
Wayne-Rosedale
Berry
Calgary
Jenner
Alderson
Retlaw
Activity Map
Westmin Interest
Gas Plants
Areas of Activity
0
Miles
150
0
Kilometres
240

Petroleum Division

Sales of crude oil and natural gas liquids increased 27.5% during 1983 to an average of 3,362 barrels per day from a 1982 average of 2,633 BOPD. The major contribution to this large increment came from low gravity crude development in the Lindbergh area of east-central Alberta, which now accounts for approximately half of Westmin's oil production.

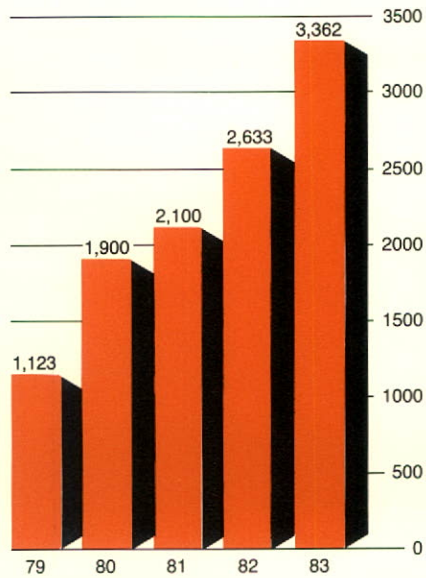
Sales of natural gas during 1983 averaged just under 44 million cubic feet per day, up approximately 5.9% from an average of some 41 MMCF/day in 1982.

Gross revenue from gas sales rose to $46.5 million from $43.3 million despite a trend towards lower prices and softer export markets in the second half of the year.

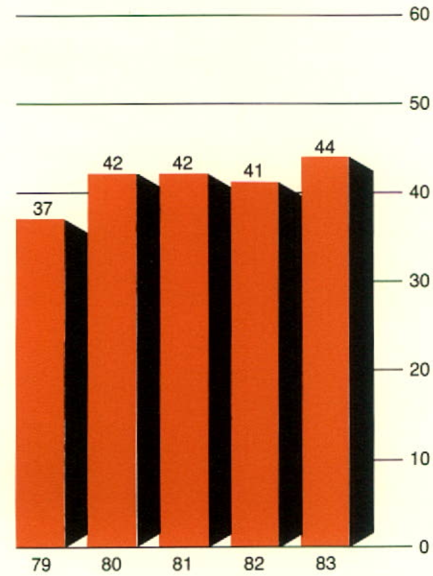
Reservoir depletion was more than offset by new capacity stemming from completion of the $15 million program started in early 1982, which saw the completion of 16 new gas plants by the end of the summer. Westmin's share of additional capacity amounted to approximately 16 MMCF/day. While markets for natural gas have been temporarily soft and dedication of reserves doesn't mean full production, it nevertheless indicates that these reserves will be first in line as demand picks up. To this end, Westmin is fortunate in that only 9.3% of its 283 billion cubic feet of proven Alberta gas reserves remain undedicated.

Contracts signed with Northwestern Utilities, Pan-Alberta Gas, TransCanada Pipelines and others brought reserves on production to 154 Bcf or 54.5% of the total at year end. Another 102 Bcf or 36.2% of the total, is dedicated to the same parties to come on stream over the next few years.

Production
Crude Oil and Natural Gas Liquids (Average BOPD)



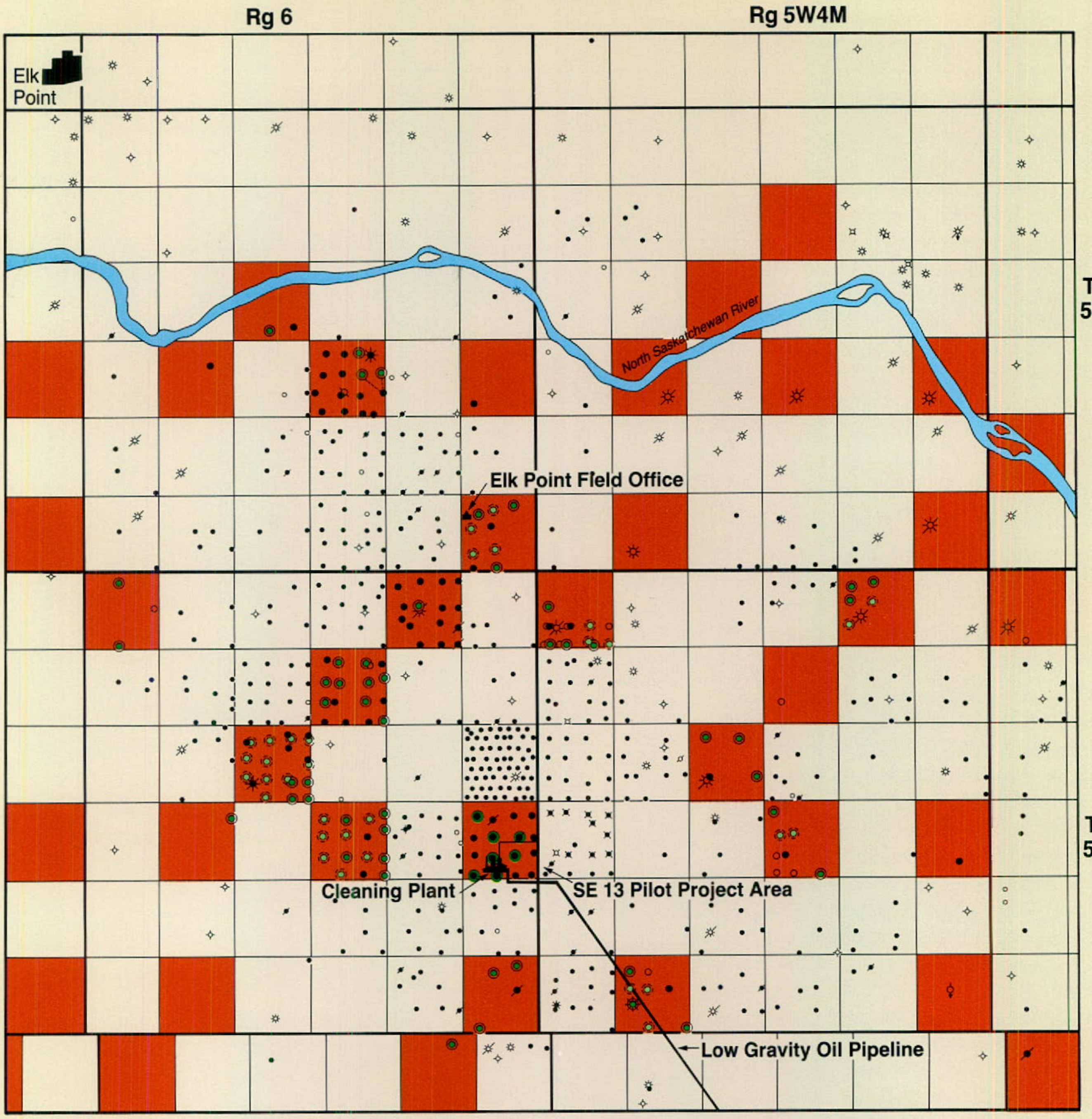
Production
Natural Gas (Average MMCF/D)



Production and Income*

		Year Ended December 31		
		1983	**1982**	**1981**
Crude oil and natural gas liquids				
Per year	bbls	**1,227,130**	961,045	770,200
Daily average	bbls	**3,362**	2,633	2,100
Natural gas				
Per year	MMCF	**16,036**	15,144	15,422
Daily average	MMCF	**44**	41	42
Gross Revenue ($000's)				
Natural Gas		**46,480**	43,283	39,914
Crude Oil & Gas Liquids		**36,949**	25,756	13,931
Total		**$83,429**	$69,039	$53,845

* Includes royalty production and income accruing to Westmin but before deducting royalty interests accruing to other parties.



Lindbergh Area

Westmin Title Lands

- Location
- Gas Well
- Oil Well
- Suspended
- Service Well
- Abandoned
- 1983 Oil Wells
- 1984 Oil Wells
- 1983 Thermal Wells

0 Miles 5
0 Kilometres 8

Lindbergh

The Lindbergh/Hazeldine/Vermilion area of east-central Alberta has become one of the largest single sources of cash flow for Westmin Resources.

During 1983, the Company drilled 50 development wells to bring the total on production to 137 by year-end. Another 40 wells were completed in the subsequent quarter prior to spring break-up. Of these totals, seven wells in section 13-55-6 W4M were put through one or more cycles of steam stimulation (huff & puff) as part of an expanding enhanced recovery program.

All this activity had the effect of increasing production to a daily average of 1,542 barrels per day during 1983 from an annual average of 1,028 BOPD in 1982.

Lindbergh low gravity oil development is attractive for a number of reasons . . . some of which have resulted in major project announcements by multinational companies in recent months.

Westmin has a good head start with its landholdings of 75 sections (square miles) of which 34 are considered amenable to low gravity crude production. Furthermore, this is mineral title acreage which is not subject to royalty or rental payments to the Crown or other third parties, except for a nominal annual mineral tax.

In addition, Lindbergh is a relatively low risk development area qualifying for certain Petroleum Incentive Program (PIP) grants. Production is readily marketable and qualifies for New Oil Reference Prices (NORP).

It is estimated that Westmin has 1.4 billion barrels of crude underlying its Lindbergh area holdings. Primary production can recover only three to six percent of this, but the tertiary "huff & puff" program can increase this to 10%-15% or higher. Somewhere down the road, steam drive or in situ combustion will enhance recoveries even further.

To accelerate production in 1984, a total of 62 wells are being drilled in Lindbergh with an additional dozen planned for other low gravity oil areas.

As a prelude to more massive enhanced recovery programs, a quarter-section development, involving the drilling of 12-directional wells on 10-acre spacing will be initiated. After about a year on primary production, these wells will be converted to a steam stimulation operation.

Steaming operations will continue on the section 13-55-6 W4M wells and four additional wells in other sections will be steamed. This will necessitate the purchase of a second portable steam generator. In 1984, construction will begin on a pipeline to bring feedwater to the thermal operating sites. Meanwhile a pipeline to carry Lindbergh crude to markets should be fully operational by the second quarter of 1984. By then, Westmin's $3.5 million, 3,000 BOPD capacity cleaning plant should also be on stream.

The pipeline and the plant will result in significant savings in trucking and oil cleaning costs.

To centralize an area field staff of some 35 people, Westmin is constructing a two-storey office/warehouse complex near Elk Point.

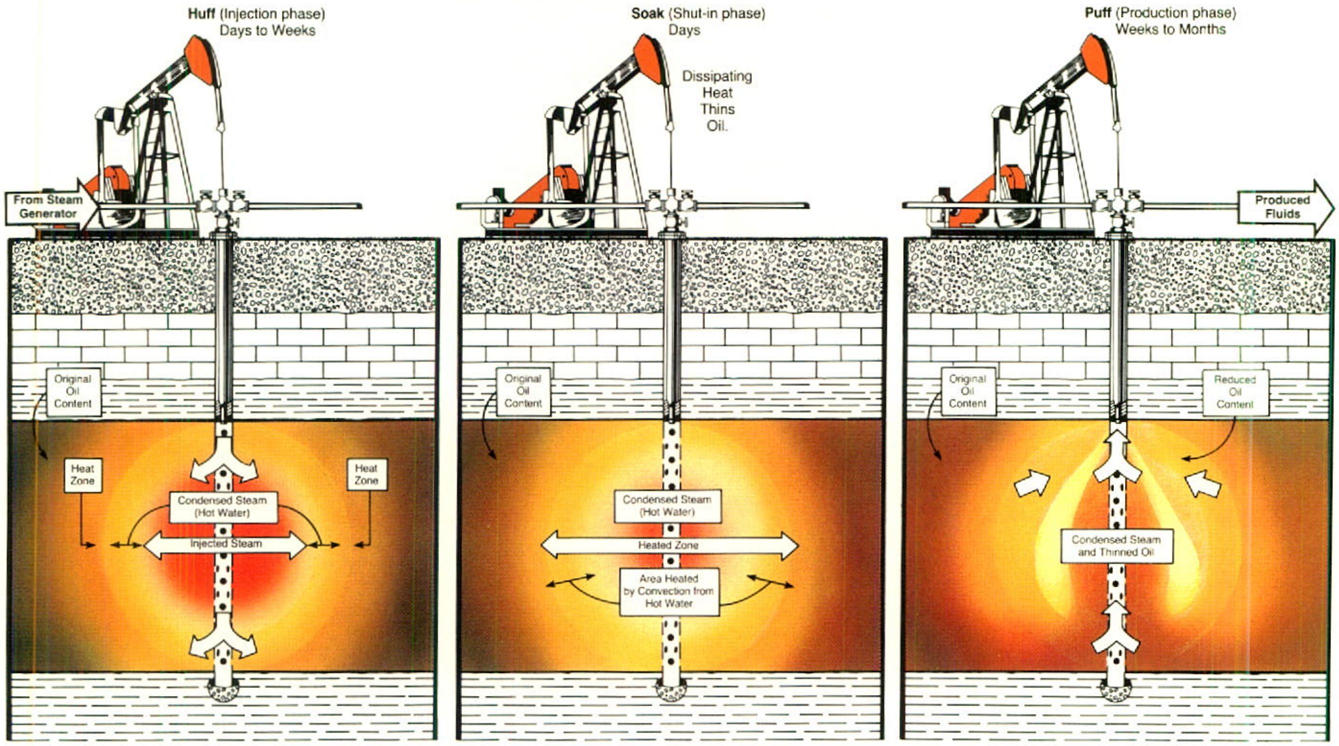
Newly constructed storage tanks at Westmin's new oil cleaning plant near Elk Point.

Pipe ready for use at one of many drill sites in the Lindbergh area.

Cyclic Steam Stimulation

Steam, injected into a well in a low gravity reservoir introduces heat that coupled with alternate "soak" periods, thins the oil allowing it to be produced through the same well. This process may be repeated until production falls below a profitable level.

Schematic portrays one well during the 3 phases of this process. Flow pattern is stylized for clarity.



Altamont-Bluebell, Utah

In January, 1983 the final well of the original four well drilling program (which commenced in 1982) was completed with an initial production rate of 330 BOPD. During the year Westmin's share of production from the four wells was 265 BOPD with 370 MCFD of associated solution gas.

Wayne-Rosedale

During 1983 Westmin's share of production from the Wayne-Rosedale area was 175 BOPD with 575 MCFD of gas and 60 bbls/d of natural gas liquids from 25 wells on production. Four successful NORP delineation wells were drilled during the year with initial production rates varying between 40 and 60 BOPD. Also, effective July 1st, 1983, the New Oil Reference Price (NORP) was assigned to 15 producing wells that previously were receiving the Special Old Oil Price (SOOP). Waterflood studies were continuing at year end and a firm proposal is anticipated in early 1984.

A massive vessel being lifted into place as part of the new cleaning plant which came on stream late in the first quarter of 1984.

Exploration

Increased exploration activity during 1983 indicates that the oil industry is emerging from the recent recession. Bonus bids at Alberta Crown Land sales are markedly higher, especially for blocks in moderate-risk, oil-prone areas.

Recent discoveries in a wide range of areas and formations show the diversity of potential new exploration targets. There has also been considerable interest in deep rights previously held by companies with shallow production.

Finally, activity has been encouraged by financial exploration incentives such as Petroleum Incentive Program payments, exploration drilling incentives and provincial royalty reductions.

Western Canada

Westmin is participating in the wider range of exploration prospects becoming available. The Company has made some effort to expand the search beyond its traditional areas.

To date, Westmin has had moderate success with participations ranging from 12%-20% in three oil discoveries in the western provinces. As these are still in the development stage, with available Crown land in the vicinity, information is being held confidential. The Company also participated in two gas discoveries with interests ranging from 50% to 75%.

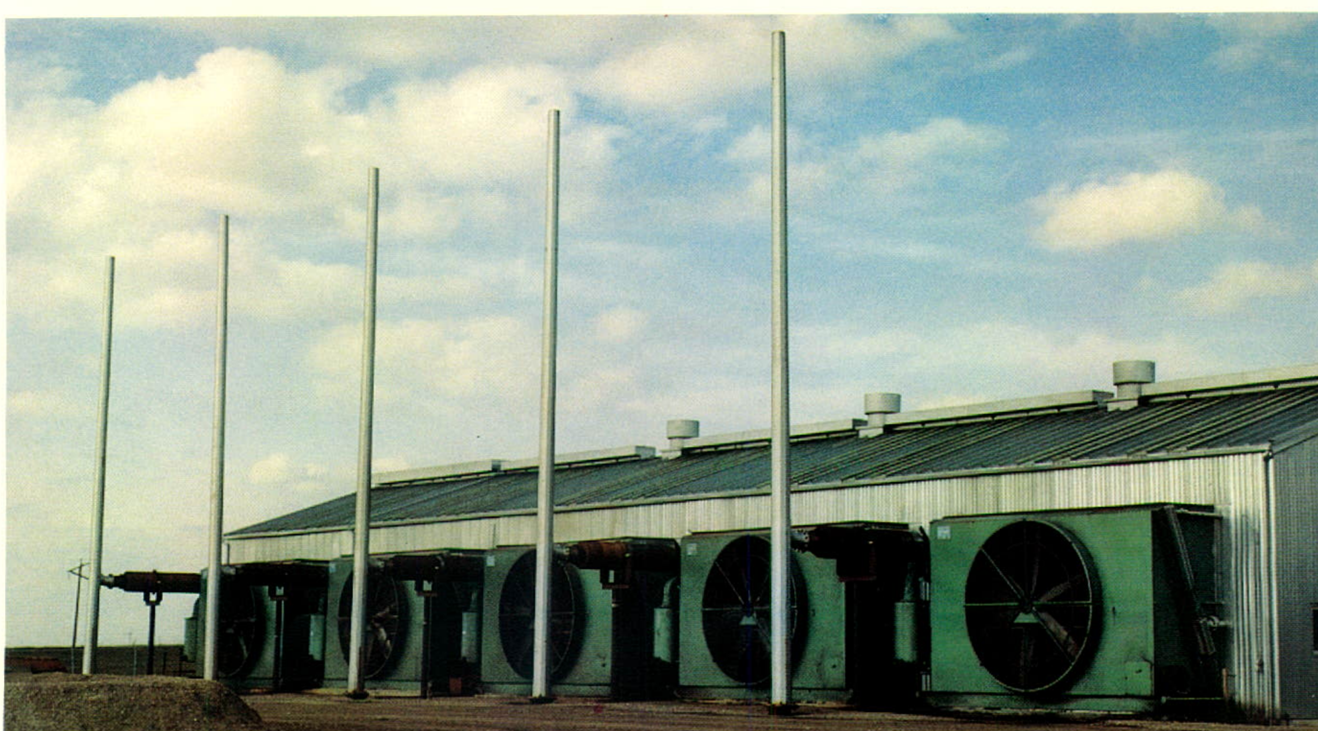
Generally, exploration for gas is not a high priority under current market conditions but management believes that demand will pick up again in the near future. Then again, some exploration is necessary to maintain deliverability under existing contracts.

In terms of leasing, seismic activity and drilling, Westmin has tried for a balance between lower risk prospects associated with step-out drilling and higher risk and potentially more rewarding prospects. The former is exemplified by our activities in the **Provost area** of east-central Alberta where Westmin participated in a six-well development drilling program. These wells extended the pool, which was discovered in 1982, to a capacity of 450 BOPD.

At the other exploration extreme is the Company's involvement in an exploratory program in the **Queen Charlotte Islands** off the British Columbia coast. Geological investigations indicate the presence of an oil-generating basin with good exploration potential. Westmin's interest is $33\frac{1}{3}$%.

However, the majority of the Company's exploration programs are in moderate risk areas typified by the **West Suffield project** in south-east Alberta. Here, Westmin was successful in leasing deep rights to 10,560 gross acres of land over four different prospects in this multi-zone NORP oil area. Drilling will commence early in 1984. Additional, moderate risk prospects have been developed in the general **Pembina area** of west-central Alberta and the **Peace River area** of western Alberta where Westmin has established significant land positions.

A Westmin-operated group drilled a second commitment well in the **Farrell Creek** area of British Columbia. Although the well was plugged and abandoned, the two wells earned the group a 50% interest in 22 sections of petroleum and natural gas rights. Westmin is a $33\frac{1}{3}$% participant. No additional drilling is contemplated in 1984.



Rear view of one of Westmin's gas plants showing series of fans used to cool the compressors and the natural gas being pumped.

Canada Lands

As a result of exploration agreements negotiated with the federal government during 1983, Westmin is committed to participate in exploration in the Beaufort Sea, offshore Labrador, and Eagle Plains in northern Yukon Territory. Although the Company does not foresee any revenues in the short term from drilling of these areas, past discoveries in each area indicate that they have good potential for additional finds. Current exploration is mainly justified by rebates under the Petroleum Incentive Program. As Westmin is greater than 75% Canadian-owned, the federal government rebates 80% of all exploratory expenses.

Beaufort Sea

In order to capitalize on the PIP rebates, Westmin agreed to participate in the drilling of four wells on the 939,620 acre block in which the Company holds varying interests. The first well, Gulf et al Pitsiulak A-5, was spudded near the west end of Westmin's holdings. The Company's interest here was originally 12% but due to the very high drill cost, Westmin chose a 6% participation with a farmout of the remaining 6%. At the conclusion of drilling our interest will be 9%. Although drilling was prematurely concluded due to very severe ice conditions, significant oil shows were recorded before suspension. Drilling and testing of the Pitsiulak well will be completed in 1984.

The second well of our original commitment, Kogyuk N-67, was located in the eastern portion of our Beaufort block. Westmin's original interest in these lands was 6.12%, of which 4.128% was farmed out, leaving the Company a cost obligation of 2%. Kogyuk was spudded in the fourth quarter of 1983 and abandoned early in 1984. A third well is to be spudded on Westmin's Beaufort block late in 1984.

Labrador Offshore

An exploration agreement has essentially been finalized defining the terms under which the 753,400 acre Hopedale block can be retained.

Due to the availability of a drilling system at below average rates, a drilling group was formed which committed to test a seismic structure called South Hopedale. The L-39 well was drilled to fulfil work obligations but was eventually abandoned. No additional drilling on this block is anticipated in 1984.

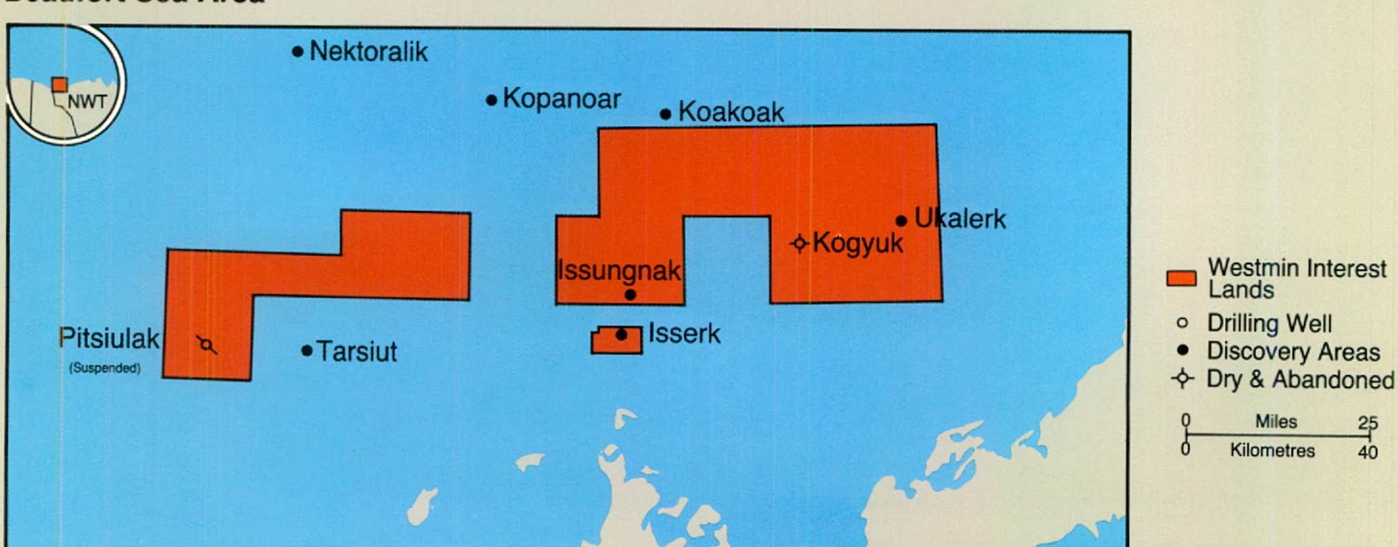
Westmin's original interest in the southern portion of the Hopedale block was 13.7119%. The Company was successful in farming out 9.7119% of this interest while agreeing to undertake 4% of the L-39 drilling cost obligation.

Westmin still retains a 7.4267% interest in the northern portion of the block which includes the approved Significant Discovery Area around the Hopedale E-33 gas condensate discovery.

Eagle Plains, Yukon Territory

During 1983 the Company concluded the planning phase of an exploration work program which would fulfil the terms of the two Exploration Agreements previously negotiated with the federal government. To better define locations for the two required wells, seismic data acquired in past exploration programs is being reprocessed. Drilling is tentatively planned for the winter of 1984-85.

Beaufort Sea Area



Abu Dhabi

The joint venture group in which Westmin has a 13% interest continued geological and seismic exploration during 1983. As a result of these efforts four unique anomaly-types have emerged. Continued reprocessing of seismic data should result in one of these being a drilling candidate late in 1984.

In the third quarter, the group relinquished 25% of the original two million acre block as required by the Exploration Agreement.

Drilling rig in action.

Reserves

Proven reserves of crude oil and natural gas liquids rose 11.3% to a total of 10.8 million barrels at year end, according to estimates by McDaniel and Associates Consultants Ltd. The increase is largely attributable to the 50-well development program at Lindbergh.

Proven and probable reserves of crude and liquids increased 1.6% to 83.9 million barrels.

Since market conditions were not conducive to expenditures to confirm new reserves of natural gas, proven reserves of sales gas were drawn down by approximately 6% to 386.4 billion cubic feet. Proven and probable reserves of natural gas declined by about the same percentage to 492 Bcf by year end.

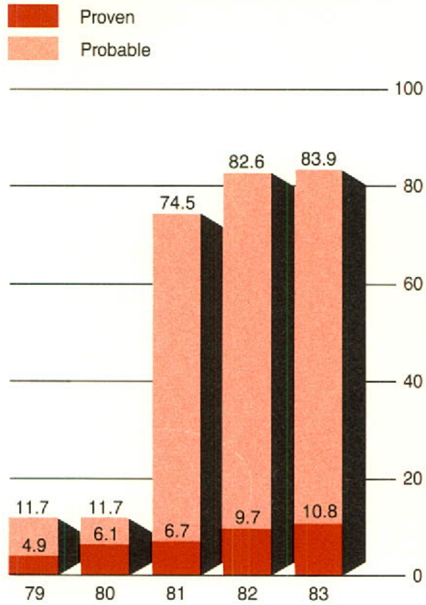
Proven & Probable Reserves

	Crude Oil and Natural Gas Liquids	Sales Gas
	MM BBLS	BCF
1983	**83.9**	**492**
1982	82.6	522
1981	74.5	501
1980	11.7	439
1979	11.7	384
1978	5.9	328
1977	4.1	325
1976	4.1	291

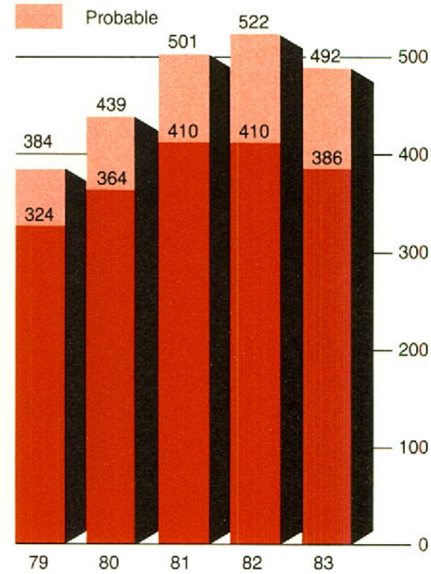
The following table shows the status of Westmin's proven reserves from December 31, 1982 to December 31, 1983.

	Crude Oil and Natural Gas Liquids	Sales Gas
	MM BBLS	BCF
Reserve Status		
• December 31, 1982	9.7	410.7
• Additions — 1983	2.3	(–)8.3
• Sales — 1983	1.2	16.0
Reserve Status		
• December 31, 1983	10.8	386.4

Crude Oil and Natural Gas Liquids Reserves (millions of barrels)(MMBBLS)



Natural Gas Reserves (billions cubic feet) (BCF)



Drilling Operations

During 1983, Westmin participated in drilling 137 gross wells which resulted in 75 oil and 31 gas wells.

In addition, other operators drilled 33 wells on Westmin lands, at no cost to Westmin, which resulted in 17 oil and 9 gas wells in which the Company retained royalty interests.

Included in the total 170 wells drilled, in which the Company has either a working interest or royalty interest, were 133 wells located in Alberta, 18 in Saskatchewan, two in British Columbia, 16 in the United States and one well in the Beaufort Sea.

The overall success ratio was in the order of 77%.

	Drilling Activity — 1983					Drilling Activity — 1982				
Working Interest	**Gas**	**Oil**	**Dry**	**Gross**	**Net**	**Gas**	**Oil**	**Dry**	**Gross**	**Net**
Exploratory	**17**	**5**	**19**	**41**	**16**	14	6	18	38	16
Development	**14**	**70**	**12**	**96**	**68**	27	52	11	90	65
TOTAL	**31**	**75**	**31**	**137**	**84**	41	58	29	128	81
Royalty Interest(1)	**9**	**17**	**7**	**33**	*	19	10	9	38	*

(1) "Royalty interest wells" are wells drilled at no cost to Westmin on properties in which Westmin's only interest is a retained royalty interest.

* Variable, depending on contractual arrangements.

Land Holdings

in Acres (as of December 31, 1983)

	Leases and Mineral Title		Licences, Permits Reservations, Concessions and Exploration Agreements		Total	
	Gross	Net	Gross	Net	Gross(1)	Net
Alberta	1,933,971	792,513	152,938	50,926	2,086,909	843,439
British Columbia	518,145	44,998	—	—	518,145	44,998
Saskatchewan	132,836	68,974	—	—	132,836	68,974
Yukon Territory	—	—	1,303,603	1,032,637	1,303,603	1,032,637
Arctic Islands & Offshore (2)	—	—	306,279	—	306,279	—
Beaufort Sea	—	—	1,906,515	164,665	1,906,515	164,665
Labrador Offshore	—	—	753,403	61,125	753,403	61,125
United States	238,813	70,415	—	—	238,813	70,415
Abu Dhabi	—	—	1,457,205	189,437	1,457,205	189,437
TOTAL — December 31, 1983	**2,823,765**	**976,900**	**5,879,943**	**1,498,790**	**8,703,708**	**2,475,690**
December 32, 1982	3,177,256	1,194,868	5,137,280	566,584	8,314,536	1,761,452

(1) Gross figures include working interest, mineral title, carried interest and overriding royalty lands.

(2) In addition Westmin has a 12.28% equity interest in Magnorth Petroleum Ltd. which in turn holds 2,346,411 gross acres or 1,738,535 net acres.

Portable steaming plant at work on tertiary recovery well in the general Lindbergh area.


H-W MINE

Mining Division

Following considerable preliminary planning and development, Westmin made the final decision to go ahead with the threefold expansion at the Myra Falls, Vancouver Island mine site at the end of March, 1983.

The H-W orebody, believed to be one of the more significant massive sulphide developments in Canada in recent decades, will cost in the neighborhood of $225,000,000 in current dollars and including interest capitalized during construction.

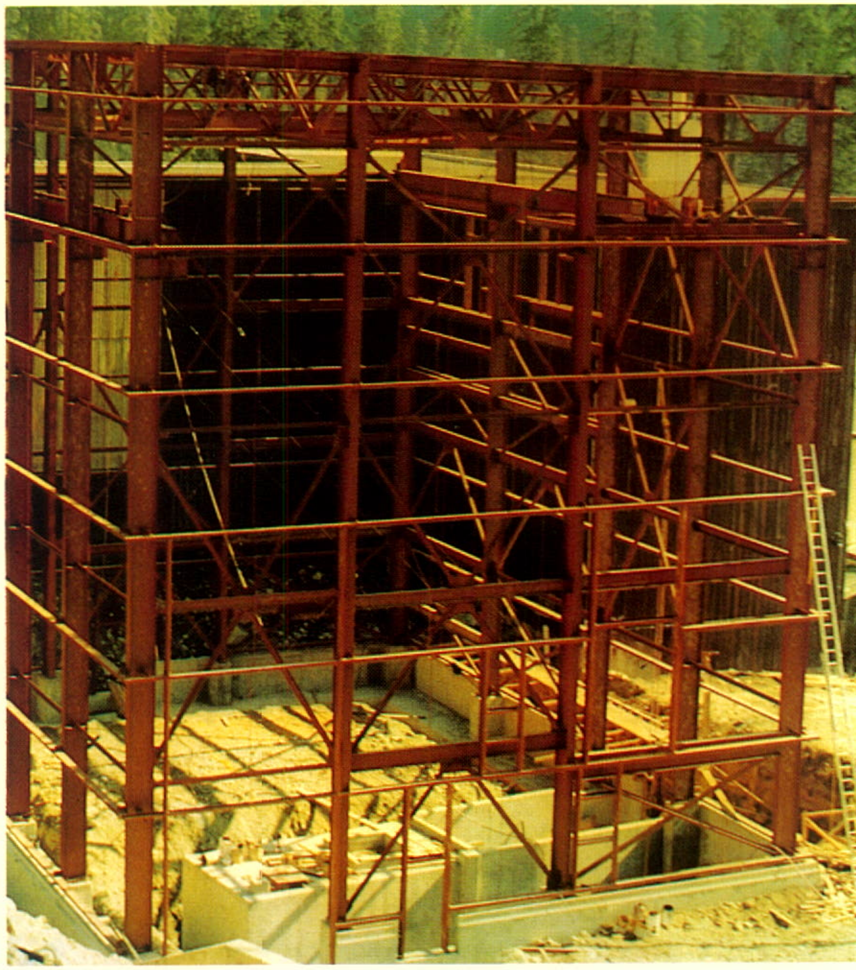
The expansion, which is already well under way, includes the construction of a new 3,000 ton per day concentrator, new administration and maintenance buildings, expanded hydro-electric generating capacity, enlarged concentrate storage and dock complex and additional environmental control facilities. The project is scheduled for completion by late 1984 or early in the new year.

Production

While production continued from the Lynx and Myra mines, an aggressive exploration program outlined the new G Zone West in the Lynx, over a strike length of 1,400 feet. The zone is open at both ends and is being prepared for initial production during the second half of 1984.

A program of modular training for miners and training courses for all levels of management was commenced during 1983 and is planned as a long term project. Accident rates declined by 30% during the year.

Negotiations for a new collective agreement with the Canadian Association of Industrial, Mechanical and Allied Workers (CAIMAW) were carried out over a period of four months. In spite of the efforts of negotiating committees and a provincial government mediator, negotiations were unsuccessful and a strike which began on November 16 continued well into the first quarter of 1984.



Steelwork in place for the new crushing building as part of the three-fold expansion at the Myra Falls operation.

Due largely to this work stoppage, 1983 production declined by 13.6% from 1982 levels to 273,787 tons. The Lynx mine produced 77% of the ore milled, with the remaining ore coming from the Myra.

		1983	1982
Ore Milled — tons		**273,787**	317,002
Daily Average — tons		**928**	930
Source of Ore (%)	Lynx	**77**	72
	Myra	**23**	27
	H-W	**—**	1
Head Grade	Gold — oz/ton	**0.08**	0.08
	Silver — oz/ton	**3.53**	3.73
	Copper — %	**1.10**	1.06
	Lead — %	**1.08**	1.11
	Zinc — %	**7.45**	7.28
Mill Recovery	Copper — %	**79.2**	78.9
	Lead — %	**77.7**	75.1
	Zinc — %	**83.5**	83.1
Concentrate Production	Copper — tons	**8,755**	10,006
	Lead — tons	**5,704**	6,129
	Zinc — tons	**32,244**	36,314

Development

Diamond drilling and development at the Lynx mine resulted in the discovery of an additional 135,000 tons of proven and 360,000 tons of indicated reserves. After allowing for tonnages milled during the year, there was a net decrease in proven reserves of the Lynx, Myra and Price mines of 138,400 tons.

Total proven and indicated reserves as of January 1, 1984 were as follows:

		GRADE				
	Proven Reserves Tons	**Gold oz/ton**	**Silver oz/ton**	**Copper % Cu**	**Lead % Pb**	**Zinc % Zn**
Lynx Mine	580,000	.06	1.9	1.0	0.8	7.8
Myra Mine	72,000	.08	5.2	0.6	1.0	5.0
Price Mine	231,000	.04	1.6	1.1	1.1	8.3
TOTAL	883,000	.06	2.1	1.0	0.9	7.7
	Indicated Reserves					
Lynx Mine	360,000	0.08	2.7	0.9	0.9	7.7

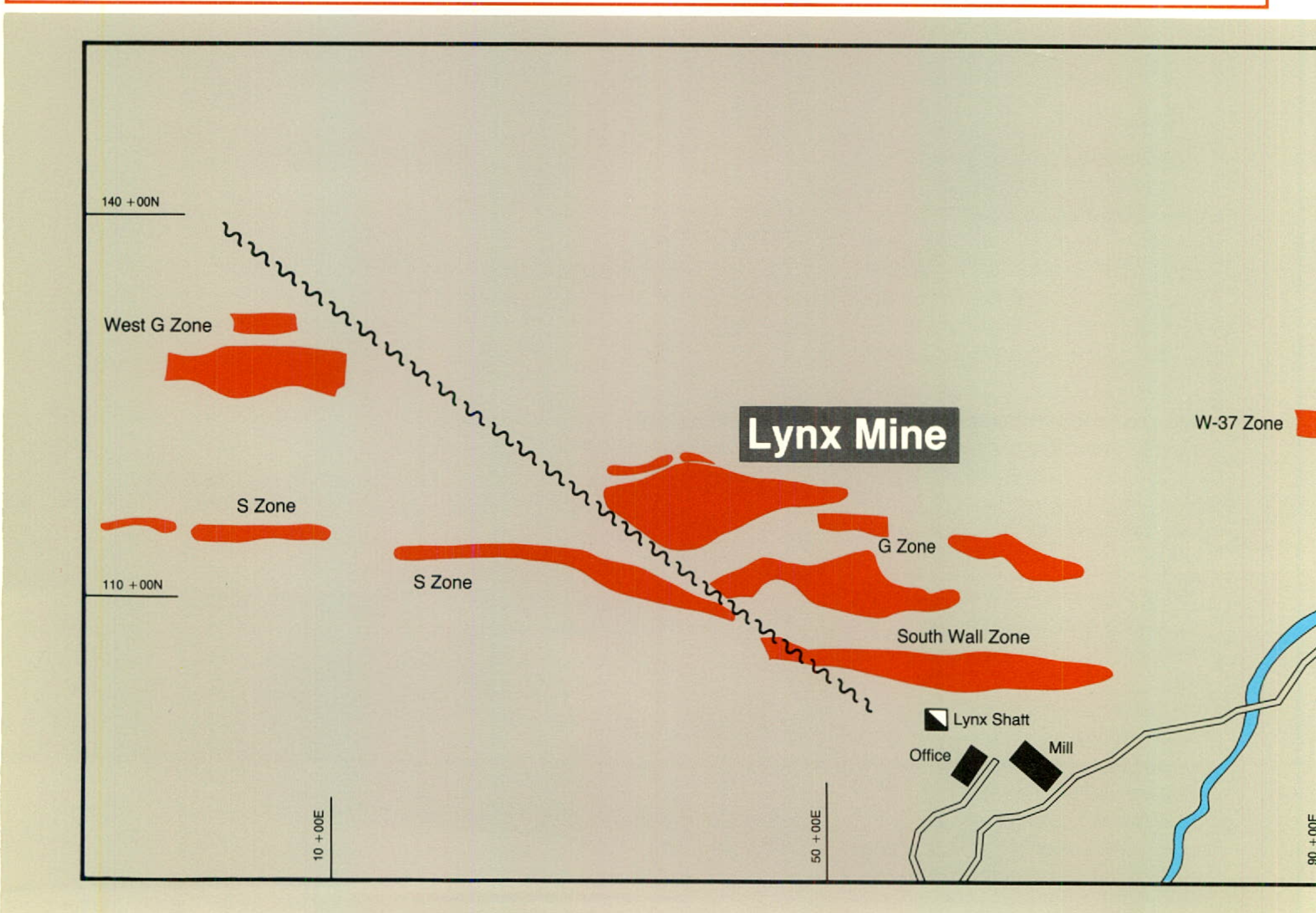
For comparison, total proven reserves as of January 1, 1983 were:

1,021,400	0.06	2.6	1.0	0.9	7.4

H-W Project

Preparation of engineering reports and information for both the Stage II submission and project evaluation continued into the first quarter of 1983. This culminated in achieving "Approval-in-Principle" from the British Columbia Government on March 11, 1983 and project approval by the Board of Directors on March 29, 1983. Construction activities commenced almost immediately. By late spring, a number of contracts had been awarded and the construction management team assembled.

Mine development and ancillary building construction progressed well during 1983. The H-W shaft was completed to a depth of 2,343 feet in April and by year end, 515 feet of internal development and 1,329 feet of ventilation shaft had been completed. Construction of the new office/shop/warehouse complex commenced in August and is well underway although some delays were experienced as a result of the labour



dispute by mine production personnel. Development of the 3,000 tpd mill is underway, with commissioning planned for early 1985.

As part of the expansion program, an additional source of hydro electric power is being developed at Thelwood Lake, six miles from the mine site. The access road and the site of the intake works is 50% complete with the 8.5 megawatt hydro plant expected on stream late in 1984.

Since sufficient ore has been proven up to justify Westmin's decision to proceed with the H-W expansion, diamond drilling in 1983 was limited to definition drilling of the zones planned for early production. The orebody remains open in three directions. Drill indicated geological reserves for the H-W orebody remain unchanged from 1982 and are as follows:

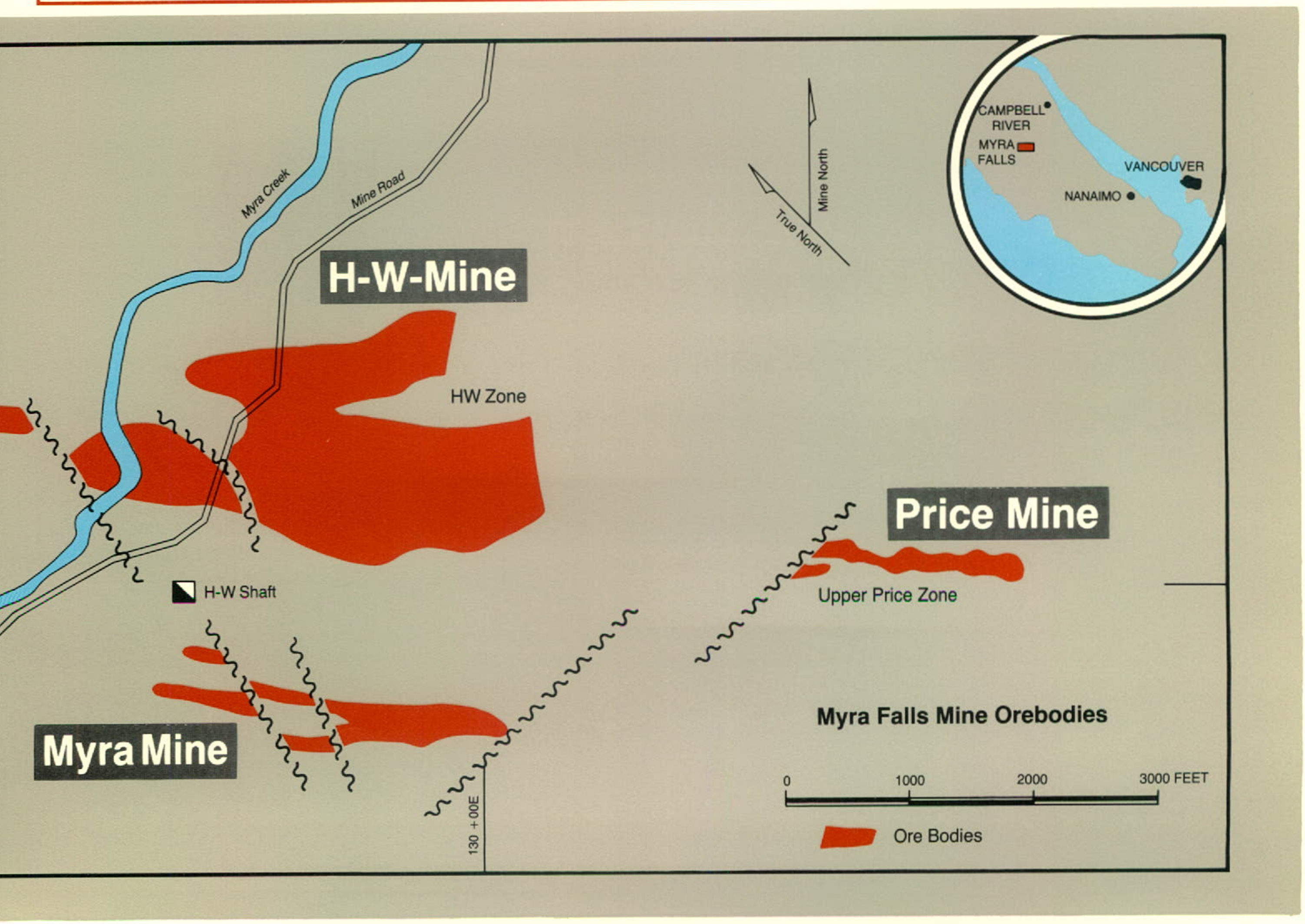
	GRADE				
Tons	**Gold oz/ton**	**Silver oz/ton**	**Copper % Cu**	**Lead % Pb**	**Zinc % Zn**
15,232,000 ...	0.07	1.1	2.2	0.3	5.3

Environmental Control

Construction has proceeded on a number of new environmental installations in conjunction with the expansion program at Myra Falls. The first of a two stage on-land tailings disposal area was started in June with the clearing of a 22 acre site north of Myra Creek. By year end, the necessary confining embankments, piping and pump stations were 90% complete with commissioning scheduled for the second quarter of 1984.

A number of modifications were made to the new surface and ground water collection system during the early part of 1983 to optimize treatment efficiency. Both government and Westmin monitored data confirm that the new system is consistently removing an average of 80% of all metals that previously entered Myra Creek. The new system has also been equipped with de-sludging facilities to ensure that accumulated metal precipitates can be removed on a continuous basis. This sludge, in slurry form, is now being injected into waste rock areas as a means of controlling the original source of metals which formerly entered Myra Creek.

Government monitoring has confirmed that improvements at the mine site have resulted in a significant reduction in the metal content of Buttle Lake. Zinc concentrations at Gold River Bridge have been reduced by 70% over levels observed in 1981 and are now equivalent to those measured in the early 1970's. This trend is expected to continue.

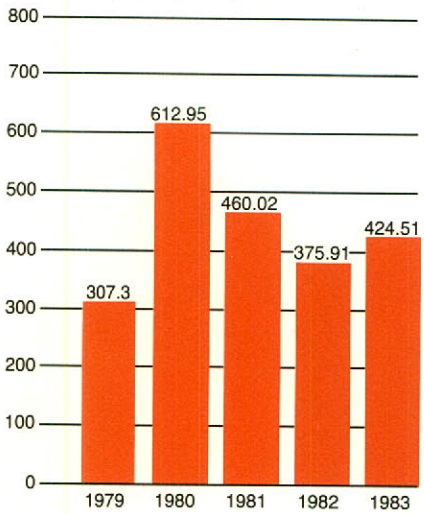


Metal Review

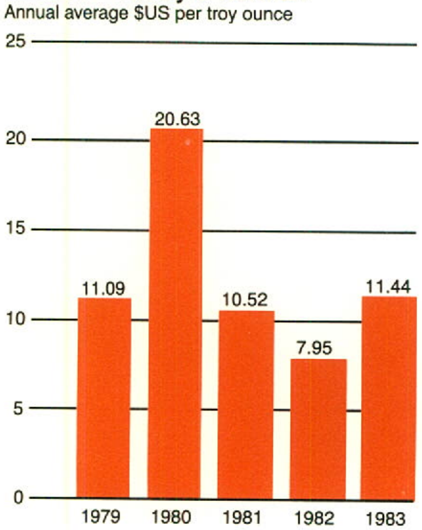
Opportunistic Outlook for Precious Metals

Concerns over the security of international debt, and the expectation of a weaker U.S. dollar prompted significant price increases in the latter part of 1982. The momentum carried over into the early part of 1983, with gold reaching US $511.50 per ounce and silver US $14.745 per ounce in late January-early February. These levels failed to hold over the course of the year as both speculative and physical demand were adversely affected by the contribution of high 'real' interest rates and a strong U.S. dollar. Despite the deterioration towards year end, prices averaged significantly better in 1983 at US $424.51 and US $11.44 respectively. A gradual improvement in precious metal prices is expected over the next several years and will have a favourable impact on Westmin's operations.

GOLD — Initial London fixing
Annual average $US per troy ounce



SILVER — Hardy & Harman
Annual average $US per troy ounce



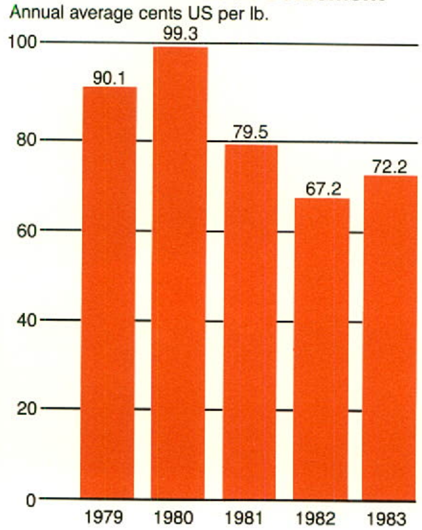
Stronger Dollar and Oversupply Constrain Copper

The copper industry endured another very difficult year in 1983 despite an increase in the U.S. Industrial Production Index of over 14%. The absence of a synchronized business recovery amongst major OECD countries inhibited improvement in copper consumption whilst foreign exchange requirements prompted some countries to produce at near maximum levels. Despite a continuation of price-related mine closures and cutbacks in North America and the Philippines, refined stocks rose an estimated 200,000 tonnes, effectively limiting price rises. The LME quotation averaged US 72.2¢ per pound in 1983, which is below the average cash breakeven cost of many dollar producers.

Zinc Moves Ahead, Lead Remains Poor

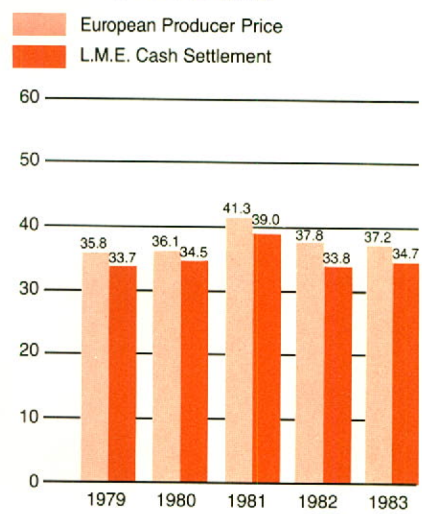
Substantial improvement in the zinc market was evident during the course of the year with consumption of slab zinc up an estimated 6% over 1982 in response to improving construction and automotive trends, particularly in the United States. U.S. prices increased from 38¢ per pound in January to 49¢ by year end. Overseas, the price increased from US $850 per tonne (38.5¢/lb) to $980 per tonne (44.4¢/lb). The outlook for 1984 is encouraging with inventories at reasonable levels and consumption continuing to show signs of further improvement.

COPPER — LME Cash Settlement
Annual average cents US per lb.

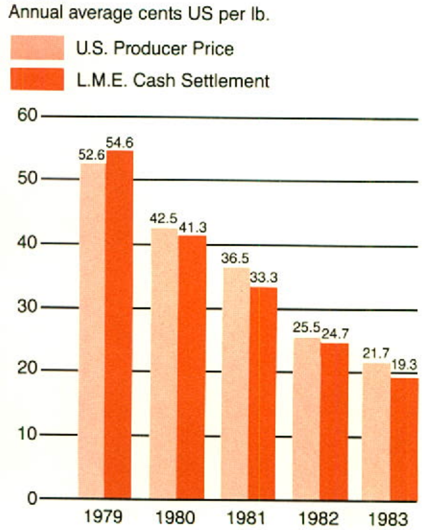


For the fourth consecutive year, both supply and demand for lead declined while stocks rose. Prices continued to deteriorate, with the U.S. Producer Price averaging US 21.7¢ per pound and the LME price averaging US 19.3¢ per pound. Some lead mine and smelter closures have taken place and most remaining operations are being sustained by silver or other by-products. Over the long run, it seems inevitable that production will be limited to the most cost-effective producers, in the absence of new markets to offset reductions arising from smaller batteries and lead-free gasoline.

ZINC
Annual average cents US per lb.



LEAD
Annual average cents US per lb.



Exploration

Mineral exploration expenditures in 1983 totalled $3.4 million, a decline from the previous year's expenditure of $4.3 million. The 1983 programs directed 65% of exploration expenditure to on-going, relatively advanced projects while curtailing uranium exploration and high risk, earlier stage activities.

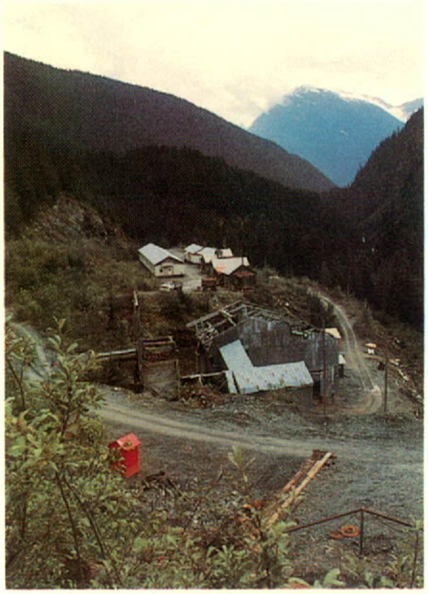
California Massive Sulphide Deposit

Early in March, 1984, Westmin concluded an agreement with Colony Pacific Explorations whereby the Company can earn a minimum 50% interest in the Blue Moon-American Eagle property in Mariposa County, California.

Over the past three years, Colony Pacific has defined 2.7 million tons averaging 0.045 oz. gold per ton, 1.71 oz. silver, 0.88% copper and 7.15% zinc, with the deposit open to depth and to the south. Another 10,000 feet of diamond drilling is in progress and Westmin is committed to spend $300,000 on the property by September 30, 1984, another $700,000 by March 31, 1985 and $5 million by 1988. The deposit has similarities to those currently being mined at Westmin's Myra Falls complex.

Minesite

Development diamond drilling was the major exploration activity at the H-W ore body. In the Lynx mine, exploration and mine geologists concentrated on evaluation and development of the faulted-off portion of the new G Zone west of the Lynx-Phillips fault. Diamond drilling at 200 and 300 foot spacing indicated some 360,000 tons of approximately mine average grade ore. Detailed drilling on 50-foot centres had commenced by year end and will continue during 1984 in order to prepare production programs for this area.



View of Hope campsite serving exploration programs at Big Missouri and British Silbak.

Silbak Premier, British Columbia

Westmin has signed an agreement with British Silbak Premier Mines Limited which will permit Westmin, through a series of work commitments and cash payments, to earn 50% to 80% interest in the property.

Exploration began in 1983 with very encouraging results. Diamond drilling was focused on evaluation of near surface mineralization in the upper part of the old Silbak Premier Mine, which is located some five miles south of the Big Missouri property.

Evaluation of other parts of the mine and immediate mine area indicate numerous other near surface and underground targets for future exploration.

Of particular interest are the following holes:

Hole No.	From	To	Length (ft)	Gold oz/T	Silver oz/T	Gold Equiv.* oz/T
83-01	132.5	244.4	111.9	.024	4.00	0.119
83-04	229.0	312.7	83.7	.068	3.18	0.144
83-05	191.9	220.1	28.2	.057	7.23	.229
	331.0	358.6	27.6	.046	5.09	.167
83-08	477.4	527.5	50.1	.008	4.58	0.117
83-12	441.9	472.1	30.2	.094	1.56	0.131
83-19	157.5	319.9	162.4	.049	4.26	0.150
83-21	110.9	157.2	46.3	.030	5.59	0.163
83-22	188.6	238.5	49.9	.051	1.40	0.084

*Based on 42 ounces silver/ton equivalent to 1 ounce of gold/ton

Great Slave Reef, Northwest Territories

Encouraging results were obtained in the on-going effort to find continuations of the high-grade lead/zinc occurrences being mined by Pine Point Mines. Exploration by Westmin (40%), and its joint venture partners, Du Pont of Canada Exploration Limited (50%) and Philipp Brothers (Canada) Limited (10%) was highly successful in 1983, with every indication of potential for additional deposits along the Main Hinge trend.

Diamond drilling better defined the high grade portions of the R190 and X25 deposits and a single hole drilled at the Z155 deposit suggests a potential to increase tonnage and grade. The 1984 program will focus on mine evaluation with particular emphasis on hydrological factors.

Marketing

Modest increases in metal prices were evident in 1983 as a result of improving economic conditions worldwide. The company continued to sell its full production of concentrates in North America and Japan.

Payable Metals (000's)	1983	1982
Gold — ounces	**17**	20
Silver — ounces	**781**	959
Copper — pounds	**4,814**	5,344
Lead — pounds	**4,195**	4,801
Zinc — pounds	**28,317**	33,489
Cadmium — pounds	**30**	35

Big Missouri, British Columbia

Four potential open-pit zones containing gold, silver and minor lead and zinc mineralization have been defined on the Big Missouri property, 11 miles north of Stewart in Northwestern British Columbia. Current drill indicated geological reserves are estimated at 2,167,000 tons grading 0.098 oz/ton gold equivalent.

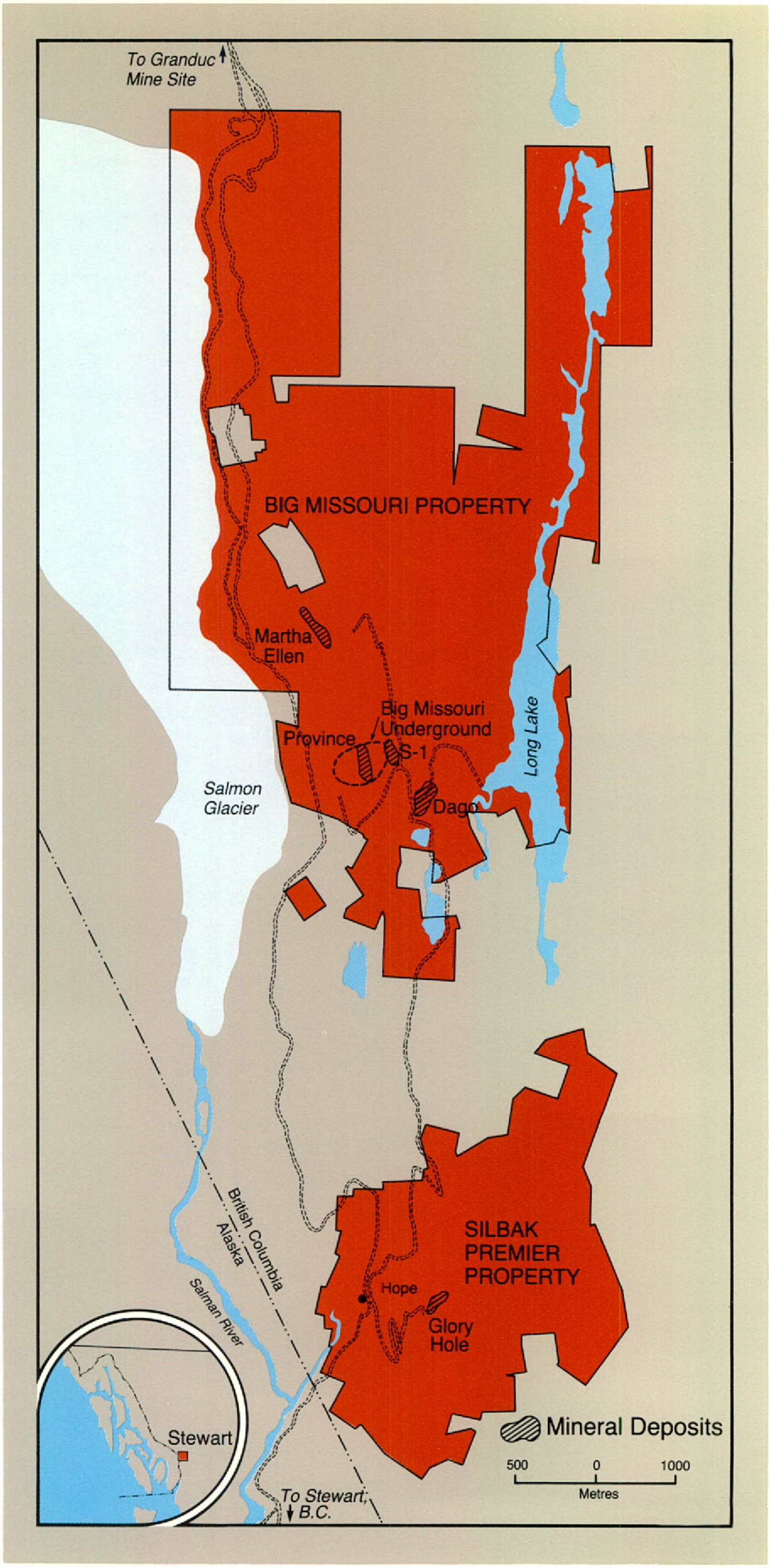
	Geological Reserves Tons	GRADE Gold Equivalent oz/ton
Dago	740,000	0.103
S-1	200,000	0.093
Province East-West	340,000	0.073
Martha Ellen	887,000	0.105
TOTAL ...	2,167,000	0.098

A modest drilling program at the Martha Ellen zone resulted in expansion of reserves. Additional drilling is planned in 1984 to further define these and other mineral zones.

Westmin has spent approximately $2.4 million during five seasons of exploration on the Big Missouri property. Mine evaluation studies are currently underway and will form the basis of a feasibility study to be delivered to Tournigan Mining Explorations Ltd. by June 1, 1985, in partial fulfillment of an option agreement wherein Westmin may earn a minimum 70% interest in the property.

Detour, Ontario

Westmin continued an aggressive program of overburden drilling and geophysical surveys on a number of its claim blocks in the area of the Detour Lake gold mine, recently placed into production by Campbell Red Lake Mines and Amoco Canada Petroleum Co. The Detour area remains one of high interest for the Company and will be the target of intensive exploration activity in 1984.



Coal

Coal revenues for the year totalled $4,575,000 and are expected to exceed $5,000,000 in 1984. Coal royalties, which will continue into the next century, will increase at a rate greater than inflation under the terms of the various lease agreements.

The presently leased lands in the Highvale Mine area near Lake Wabamun, are but a small portion of the Company's coal rights, which include in addition to Crown coal lands some 507,000 acres of mineral title lands in central Alberta. Westmin continues to maintain its 12½% interest in the Sukunka Coal Project in northeastern B.C.

The depressed state of world coal markets has significantly reduced current coal exploration and development. Westmin's activity will be restricted to modest exploration on the Company's Crown holdings in Alberta and a detailed appraisal of some near-surface coal lands in north-central Alberta for use as possible feed-stock for steam in the Company's 'huff and puff' low gravity oil areas. Westmin will, in addition, selectively evaluate high quality coal prospects in British Columbia and the western United States.

Industrial Minerals

Royalty revenue from the Company's sodium sulphate leases was approximately $290,000. During the latter part of 1983, Alberta Sulphate completed the construction of an acid treatment plant to improve the yield of sodium sulphate from brine waters. Westmin felt that this plant was essential to the well-being of the operation and as such, has agreed to pay for approximately one-half of the construction cost of $143,000, which will be paid back from royalty payments over the next three years. The new plant is expected to increase the life of the operation to at least 15 years and generate additional revenues of approximately $7,000,000.

Further work, consisting of additional detailed sampling and topographic mapping, was completed at the Company's Mount Palsson Limestone Project in northeastern British Columbia. The detailed sampling program has indicated that the Company has found a very high grade limestone deposit suitable for industrial and agricultural uses. Further work will continue on the project, with possible production starting during the summer of 1984.

In addition, Westmin has been investigating a limestone property near the town of Nordegg, Alberta. Prospects for securing contracts for stone from this quarry are very promising. The Company plans to re-active the quarry, on a limited basis, during the early part of 1984.

Examining core brought back from Big Missouri and British Silbak diamond drill programs.

Lacana Mining Corporation

Westmin Resources remains the largest single shareholder in Lacana Mining Corporation, an expanding, medium-sized, Canadian-based resource company whose shares are listed on the Toronto Stock Exchange.

During 1983, Westmin acquired an additional 400,000 Lacana shares to increase the percentage ownership to 28% from 25%.

Lacana is a significant North American producer of precious metals and its oil and gas revenues are on a steady uptrend. The Company is active in exploration for gold, silver and hydrocarbons.

Lacana has a substantial minority interest in two Mexican precious metal producing complexes; 26.25% interest in the Pinson Gold Mine in Nevada and through its wholly-owned oil and gas subsidiary, produces approximately 500 barrels of oil per day and 3,000 Mcf of gas per day.

During 1983 net cash dividends received from the Mexican operations totalled $7,482,000 compared to $2,306,000 the previous year. Lacana's share of production from these mines totalled 5,846,000 ounces of silver, 39,000 ounces of gold and 24,000,000 lbs. of lead.

The milling rate at the Pinson Gold Mine remained at about 1,400 tons per day at an average grade of 0.106 ounces per ton. A heap leach process was installed in 1983 to accommodate lower grade material and 7,912 ounces were recovered in the year. Lacana's share of gold sold in the year was 14,820 ounces compared to 17,335 in 1982 when higher than mine average grades were milled. Cash dividends totalled $3,108,000 in 1983 as compared to $2,300,000 the year prior.

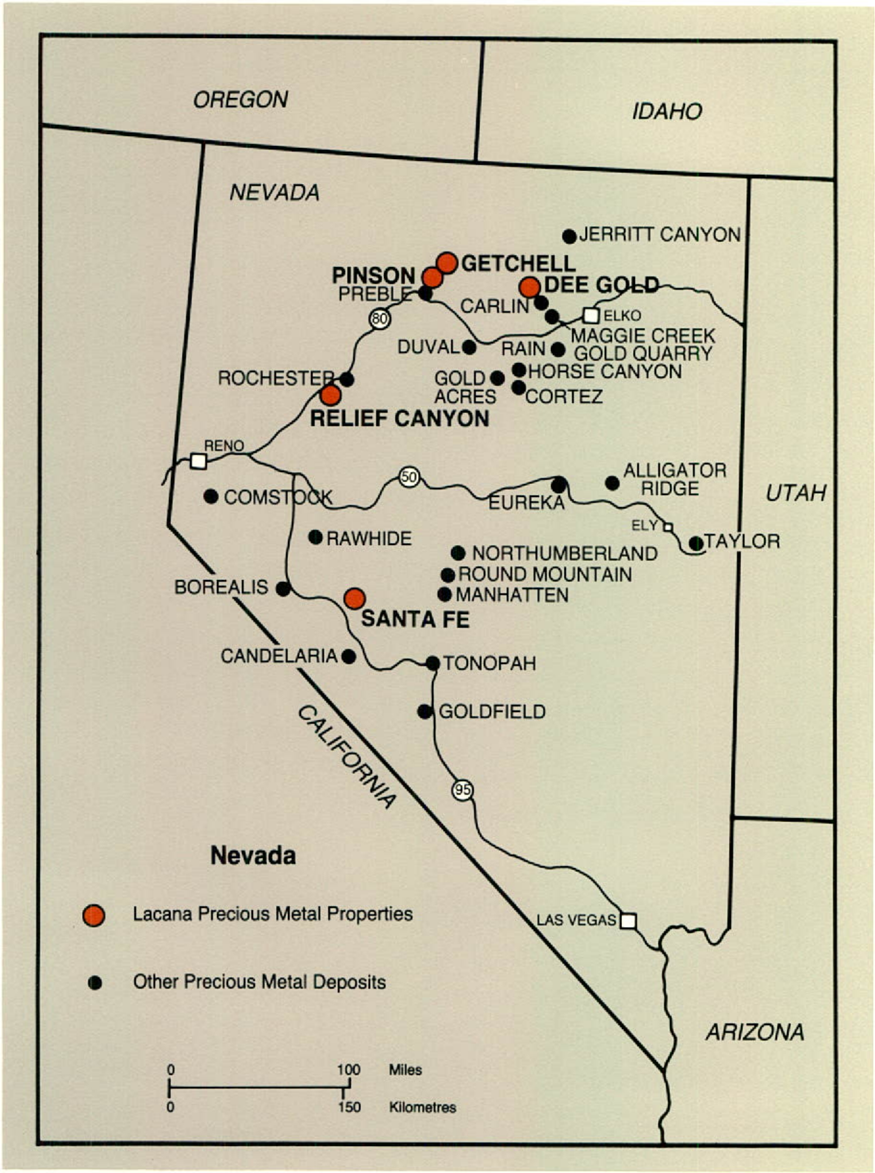
Lacana's current exploration emphasis is in the U.S. Production from the Dee Gold (formerly Boulder Creek) open pit mine in Nevada should commence before year end at an annual rate of 35-40,000 ounces per year with Lacana's share at 29.3%. An early production decision is anticipated to develop Lacana's wholly-owned Relief Canyon heap leach gold operation, also in Nevada. Annual production from this property is estimated to be 30,000 ounces per year and production could commence in late 1984.

Lacana is active in mineral exploration in Mexico, Canada and the U.S. In Canada, Dome Mines has commenced a major $5.5 million underground exploration and development program on Lacana's Musselwhite property north of Pickle Lake, Ontario where mineral inventory is estimated at 3.2 million tons grading 0.169 oz. gold per ton. Lacana retains a 17% interest in this project. The joint venture exploration program, managed by Lacana, has entered into its fifth year with a budget of $1,100,000 to be spent in 1984.

Approximately $5.7 million has been spent on oil and gas exploration in 1983 and the Company has been very successful in proving up substantial reserves in Canada. A major drilling program in the U.S., undertaken in 1982, is still in progress.

Although audited figures are not yet available, earnings are estimated to be substantially higher in 1983. Oil and gas revenues show a dramatic increase in the year, reflecting the major acquisition in 1982 of Canadian producing properties and new production coming on stream during 1983. Lacana's share in net earnings of the Mexican operations also show a substantial increase in the year however, this improvement is offset by a substantial increase in withholding tax.

Lacana continues to report a strong working capital position of about $26 million as of December 31, 1983 compared to $9 million a year earlier.



Financial Review

The following discussion of the results of operations and financial position of the Company should be read in conjunction with the consolidated financial statements and related notes.

Earnings

Westmin's net earnings for the year ended December 31, 1983 were $40 million, up marginally from $39.8 million in 1982. After provision for dividends on preferred shares, earnings per common share were 66¢ in 1983 compared to 65¢ for 1982.

Revenues for 1983 were $128.7 million, an increase of 3% from 1982 revenues of $124.9 million. Significant increases in oil and gas production and sales were largely offset by lower revenues from the mining division. Revenues for 1983 were adversely affected by a strike which commenced in mid-November at the Myra Falls mining complex, while 1982 revenues included a $10 million advance royalty from a new coal lease agreement.

Natural gas sales increased by 7% to $46.5 million from $43.3 million in 1982. Production volumes for the year were similarly up at 16 billion cubic feet or an average of 44 million cubic feet per day. The average wellhead price received was $2.90 per mcf compared to $2.86 in 1982.

Continuing the trend of the past several years, oil and natural gas liquids sales have again increased significantly to $36.9 million in 1983 from $25.8 million the year before. Daily production volumes were up 28% at an average 3,362 barrles per day. Average wellhead price received was $30.11 per barrel for the year, compared to $26.77 in 1982.

Net smelter return for the Company's mining operations on Vancouver Island were down from $33.3 million in 1982 to $29.2 million. Although average metal prices were generally improved over 1982, the volume of ore milled was down 14% at 274,000 tons due to the labor strike which began in mid-November and lasted through the year end.

As indicated above, 1982 revenue for the Company's coal division included an initial advance royalty of $10 million on a new lease agreement. Normal operating revenues of the division have increased to $4.9 million from $4.2 million in 1982 due to higher prices which prevailed for both coal and sodium sulphate.

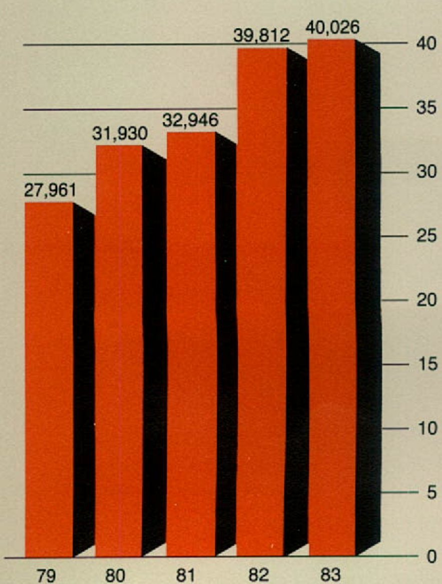
Investment income increased substantially to $9.6 million from $6.9 million in 1982, a reflection of the increased funds available due to the $50 million private placement of common shares in March of 1983. For the past year the Company has continued to maintain its cash resources pending appropriate alternate investment opportunities.

Expenses

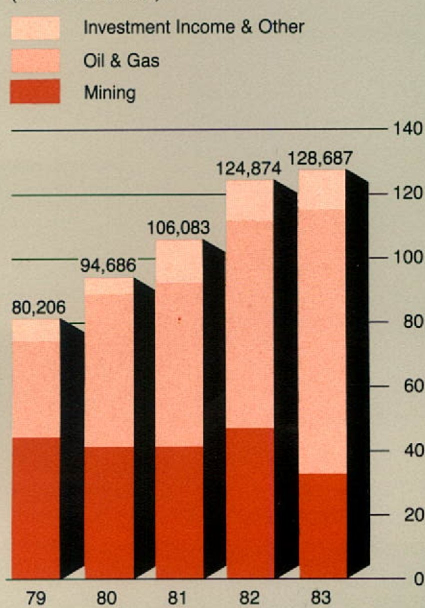
Royalties paid on the Company's working interest production increased to $15.8 million in 1983 from $11.1 million the year before. While this change is partly attributable to increased production volumes, the Company has also derived an increased level of production from U.S. properties carrying higher royalty rates. The freehold mineral tax has also increased substantially in 1983, although the Company's average effective royalty rate is still a very low 20.8% due to a considerable portion of the sales originating from mineral title lands.

Oil and gas production expense increased by 20% to $14.4 million from $12 million in 1982. This change

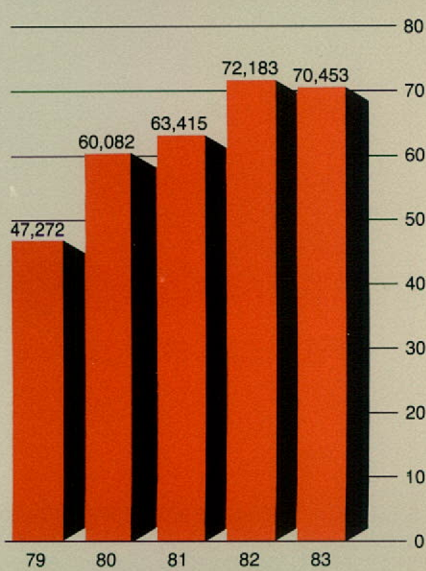
Net Earnings
(millions of dollars)



Revenues
(millions of dollars)



Cash Flow
(millions of dollars)



is consistent with higher gross revenues and production volumes. Also, oil production is again up significantly with the attendant higher unit cost than gas.

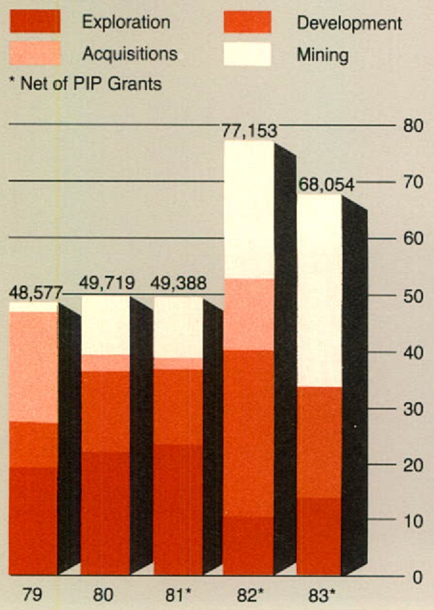
Operating costs for the mining division at $22.5 million were down slightly from $22.7 million in 1982. The operating cost per ton milled was up 15% at $81.26 from $70.93 per ton in 1982, primarily as a result of higher payroll burden costs at the mine and environmental costs for treating water effluent from the mill.

The Company has a very active mineral exploration program. Consistent with recent trends and the adoption of a more conservative approach, costs for 1983 were $3.4 million, down 21% from $4.3 million in 1982. All costs associated with the H-2 deposit at the minesite are capitalized in accordance with our policy of expensing costs only until such time as an economic orebody is defined.

General and administrative costs have increased from $3.9 million in 1982 to $4.5 million in 1983. In addition to the normal inflation component, costs have remained consistent with the levels of activity in the various operating areas.

Depreciation and depletion charges were $10.6 million for 1983, up 31% from $8.1 million in 1982. While production volumes and the related amortization charge are up for oil and gas the converse is true for the mining division. More significantly revenue forecasts, which are used in the revenue depletion method to set amortization rates, are down considerably consistent with recent developments in world pricing for oil and gas.

Capital Expenditures
(millions of dollars)



Income and resource taxes have decreased by 15% to $20.2 million for 1983 compared to $23.6 million in the previous year (refer to note 8 to financial statements). Income taxes are down significantly at $13.2 million from $16.9 million in 1982 where reduced taxes on lower pre-tax earnings are offset significantly by a reduction in the availability of the Alberta royalty tax credit.

Provincial mining taxes were not a factor due to the low levels of mining division revenues. The Petroleum and Gas Revenue Tax (PGRT) was up, consistent with our increased oil and gas revenue, by 16% at $7 million from $6.1 million the year before. The Incremental Oil Revenue Tax (IORT) has been suspended by the federal government effective June 1, 1982 through May 31, 1985.

Current taxes paid or payable on the year's operations are the PGRT of $7 million less the Alberta royalty tax credit of $4 million and the federal investment tax credits available of $0.3 million. Federal income taxes, provincial income taxes and provincial mining taxes have all been deferred due to available tax credits generated by expenditures on exploration and development programs.

Changes in Financial Position

Funds provided from operations before mineral exploration expense amounted to $70.5 million, a slight decrease from $72.2 million in 1982. Substantial increases in oil and gas cash flow were offset by lower returns from the mining division. In addition 1982 funds included the $10 million advance royalty referred to above.

During the year the Company entered into a financing agreement with several Canadian chartered banks to provide a $200 million facility for the development of the H-W mine/mill complex (see note 5 to financial statements). In 1983 the Company borrowed a further $39 million for that purpose. The Company's existing $150 million revolving credit facility will be restored when the documentation for the H-W financing has been completed.

In March of 1983 the Company completed a private placement of common stock. Under the terms of the agreement 3,600,000 shares were sold at $14.00 per share. Cost of the issue was $0.25 per share.

During 1983 the Company acquired an additional 400,000 common shares of Lacana Mining Corporation at a cost of $3.6 million. At December 31, 1983 Westmin held a total of 3,151,009 shares or 28% of Lacana's outstanding common shares.

Capital expenditures were $68.1 million for 1983 as compared to $77.2 million for 1982. Expenditures in the mining division, which were predominantly development costs and capitalized interest for the H-W project, were up from $23.4 million in 1982 to $34.6 million in 1983. Exploration and development programs in the petroleum division were a net $32.9 million after provision for Petroleum Incentive Program (PIP) receivables of $11.4 million. During the year, PIP grants of $13.2 million were received with respect to prior year's activity. In 1982 the petroleum division had also purchased an interest in 24 oil wells in the Wayne-Rosedale area of Alberta at a cost of $11.2 million.

Working capital, which includes $134.2 million of cash and short-term investments, was $140.5 million at December 31, 1983, compared to $76.4 million at year end 1982.

Management's Responsibility

This Annual Report to the shareholders of Westmin Resources Limited, including the financial statements on pages 26 to 34, has been prepared by the management of the Company and approved by the Directors. The financial data included in the text of this report is consistent, to the extent applicable, with the financial statements and the underlying information from which these statements were prepared.

Management is responsible for the integrity and objectivity of the financial statements. To fulfill this responsibility, the Company maintains appropriate systems of internal controls, policies and procedures to ensure that its reporting practices and accounting and administrative procedures are of high quality, consistent with reasonable costs. The statements have been prepared utilizing accounting principles, ("Summary of Accounting Policies", Page 30) which we believe to be appropriate for the operations of the Company.

Touche Ross & Co., the auditors appointed by the shareholders, have reviewed the systems of internal control and examined the financial statements in accordance with generally accepted auditing standards to enable them to express to the shareholders their opinion on the financial statements. Their report as auditors is set forth on page 27.

The statements have been further examined by the Board of Directors and its Audit Committee whose members are listed elsewhere in this report. This Committee meets regularly with the auditors and management to review the activities of each and it reports to the Board of Directors. The auditors have full access to the Audit Committee.

Auditors' Report

To the Shareholders of Westmin Resources Limited

We have examined the consolidated balance sheet of Westmin Resources Limited as at December 31, 1983 and the consolidated 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 consolidated financial statements present fairly the financial position of the company as at December 31, 1983 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.

Calgary, Alberta
February 3, 1984

Touche Ross & Co.
Chartered Accountants

Westmin Resources Limited

Consolidated Balance Sheet

As At December 31, 1983

ASSETS

	1983 $	1982 $
	(in thousands)	
CURRENT ASSETS		
Cash and short-term investments	**134,159**	63,248
Accounts receivable (note 1)	**24,530**	25,548
Inventories (note 2)	**5,558**	12,471
	164,247	101,267
INVESTMENTS (note 3)	**44,017**	37,597
PROPERTY, PLANT AND EQUIPMENT (note 4)		
Oil and gas	**298,166**	265,244
Mining	**99,553**	65,719
Other	**3,150**	2,584
	400,869	333,547
Accumulated depletion and depreciation	**62,625**	52,755
	338,244	280,792
	546,508	419,656

APPROVED BY THE DIRECTORS

Director

Director

LIABILITIES

	1983 $	1982 $
	(in thousands)	
CURRENT LIABILITIES		
Bank indebtedness	**2,736**	4,685
Accounts payable	**20,579**	17,506
Income and resource taxes payable	**480**	2,712
	23,795	24,903
LONG-TERM DEBT (note 5)	**63,000**	24,000
DEFERRED INCOME AND RESOURCE TAXES	**83,991**	64,318
	170,786	113,221

SHAREHOLDERS' EQUITY

	1983 $	1982 $
SHARE CAPITAL (note 6)	**290,037**	237,625
RETAINED EARNINGS	**85,685**	68,810
	375,722	306,435
	546,508	419,656

Westmin Resources Limited

Consolidated Statement of Earnings

For The Year Ended December 31, 1983

	1983 $	1982 $
	(in thousands)	
REVENUE		
Oil and gas	**83,429**	69,039
Mining	**34,025**	47,504
Investment income	**9,572**	6,918
Other	**1,661**	1,413
	128,687	124,874
Equity in earnings of Lacana Mining Corporation (Note 3)	**2,683**	673
	131,370	125,547
EXPENSES		
Royalty expense	**15,794**	11,128
Cost of production		
Oil and gas	**14,366**	11,984
Mining	**22,492**	22,740
Mineral exploration	**3,383**	4,283
General and administrative	**4,558**	3,949
Depletion and depreciation	**10,599**	8,051
Income and resource taxes (note 8)	**20,152**	23,600
	91,344	85,735
NET EARNINGS FOR THE YEAR	**40,026**	39,812
EARNINGS PER COMMON SHARE (note 9)	**.66**	.65

Westmin Resources Limited

Consolidated Statement of Retained Earnings

For The Year Ended December 31, 1983

	1983 $	1982 $
	(in thousands)	
BALANCE AT BEGINNING OF YEAR	**68,810**	50,374
Net earnings for the year	**40,026**	39,812
	108,836	90,186
Dividends (note 7)	**23,151**	21,376
BALANCE AT END OF YEAR	**85,685**	68,810

Consolidated Statement of Changes in Financial Position

For The Year Ended December 31, 1983

	1983 $	1982 $
	(in thousands)	
FUNDS PROVIDED:		
Operations before mineral exploration	**70,453**	72,183
Mineral exploration expense	**3,383**	4,283
Net from operations	**67,070**	67,900
Bank loan	**39,000**	24,000
Common share capital, net of issue costs	**52,412**	717
Changes in other working capital	**6,823**	6,541
Other	**623**	710
	165,928	99,868
FUNDS USED:		
Investments	**3,812**	1,435
Property, plant and equipment	**68,054**	77,152
Dividends	**23,151**	21,376
	95,017	99,963
INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	**70,911**	(95)
CASH AND SHORT-TERM INVESTMENTS AT BEGINNING OF YEAR	**63,248**	63,343
CASH AND SHORT-TERM INVESTMENTS AT END OF YEAR	**134,159**	63,248

Summary of Accounting Policies

These consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada and consistently applied.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Westmin Resources Inc.

Investments

The Company's investment in Lacana Mining Corporation (28% owned), over which the Company exercises significant influence, is accounted for by the equity method. Under this method the investment is carried at cost plus the Company's share of earnings since acquisition. The Company's share of annual net earnings of Lacana, less amortization of related purchase discrepancy, is included in income and dividends are deducted from the carrying value.

Other investments are carried at cost less amounts written off.

Joint Venture Accounting

Substantially all of the Company's exploration activities and oil and gas production are conducted jointly with others and accordingly the accounts reflect only the Company's proportionate interests in such activities.

Translation of Foreign Currencies

Assets, liabilities, revenues and expenses in currencies other than Canadian dollars are translated into Canadian dollars as follows:

Current assets, current liabilities and long-term debt at the rates of exchange prevailing at the balance sheet date.

Other assets and liabilities at rates prevailing when they are acquired or incurred.

Revenues and expenses at average rates for the period except for depletion, depreciation and amortization provisions, which are at the rates used for translation of the related assets.

These procedures give rise to exchange translation gains and losses, the net amounts of which are included in income.

Concentrate Settlements Receivable and Concentrate Inventory

Concentrate settlements receivable and concentrate inventory are valued at current metal prices less provision for estimated market adjustments, treatment and marketing charges. In accordance with the terms of the sales contracts, final settlements are made at prices prevailing at future dates and the amounts eventually received by the Company may vary from the amounts included in receivables and inventory at the balance sheet date. From time to time the Company establishes the price it will receive for part of its production by selling forward on the metal and currency markets.

Materials and Supplies

Materials and supplies are valued at the lower of average cost and net realizable value.

Property, Plant and Equipment

Oil and Gas

The full cost method of accounting is used whereby all costs associated with exploration for and development of oil and gas reserves are capitalized by cost centre until commencement of production.

Costs include land acquisition, geological and geophysical expenditures, carrying charges of non-producing property, costs of drilling both productive and non-productive wells, overhead expenses related to exploration and development activities and plant and equipment. Proceeds from the disposal of properties and grants received from petroleum incentives programs are credited against costs.

Costs in producing cost centres are amortized using the revenue depletion method based on the proportion that current revenues are to estimated revenues from proven reserves as determined by independent and company petroleum engineers. Costs attributable to centres which were unsuccessful and abandoned are written off.

Cost centres are:
Producing: North America (excluding Arctic)
Non-Producing: Arctic, Overseas

Mining

Metals

Mineral exploration costs (including acquisition, exploration and development expenditures and related overhead) pertaining to individual mineral prospects are charged to income as incurred until such time as an economic orebody is defined. Subsequent development costs are capitalized and amortized on the unit of production method based upon the estimated life of the ore reserves.

Mine plant and equipment costs, including capitalized interest, are depreciated substantially on the unit of production method.

Coal and Industrial Minerals

Until commercial production begins, coal and other properties are carried at cost less any amount written off in recognition of a permanent decline in value. Upon commencement of production, costs are amortized on the unit of production method based upon the estimated life of the reserves.

Interest Costs

Interest costs attributable to major capital expansion and development projects are capitalized until commencement of production.

Income and Resource Taxes

The Company follows the tax allocation method of accounting for corporate income and resource taxes, whereby deferred taxes are provided to the extent that current taxes have been reduced by claiming amounts, primarily exploration and development costs and capital cost allowances, in excess of the related depletion and depreciation recorded in the financial statements.

Notes to Consolidated Financial Statements

For The Year Ended December 31, 1983

1. ACCOUNTS RECEIVABLE

	1983 $	1982 $
	(in thousands)	
Oil and gas	**19,413**	22,164
Concentrate settlements	**3,071**	1,713
Other accounts receivable	**2,046**	1,671
	24,530	25,548

2. INVENTORIES

	1983 $	1982 $
	(in thousands)	
Concentrate	**988**	7,665
Materials and supplies	**4,570**	4,806
	5,558	12,471

3. INVESTMENTS

	1983 $	1982 $
	(in thousands)	
Lacana Mining Corporation, at equity (quoted value, December 31, 1983 — $37,418,000)	**35,054**	29,086
Long-term receivable	**7,307**	7,014
Other, at cost or written-down value	**1,656**	1,497
	44,017	37,597

Lacana Mining Corporation

The Company's equity in the earnings of Lacana Mining Corporation was $2,683,000 (1982 — $673,000). During 1983, the Company acquired an additional 400,000 common shares of Lacana for a total consideration of $3,600,000. The cost of this additional investment exceeds the Company's share of the book value of the net assets acquired, by $1,560,000. An unamortized purchase discrepancy of $15,741,000 is attributable to Lacana's investment in mining companies and is being amortized over the estimated lives of the mines. Amortization for the year amounted to $895,000 (1982 — $619,000).

At December 31, 1983 the Company held a total of 3,151,009 common shares, 28% of Lacana's outstanding common shares. The Company holds an option, exercisable at any time prior to October 25, 1984, to purchase an additional 1,000,000 common shares from treasury at a maximum of $15.50 per share which would increase its present interest in Lacana to approximately 34%.

Long-Term Receivable

This receivable, amounting to $16,250,000, is due in annual instalments ranging from $500,000 to $800,000 to July 1, 2005. Interest is not applicable providing the instalments are paid when due. Under the terms of the agreement 50% of any instalment, in aggregate not exeeding $1,000,000, may be postponed up to July 1, 2005 subject to an 8% per annum interest payment. Currently $750,000 has been postponed under this option. With the exception of the current portion of $500,000 which is included in current assets, the remaining instalments are carried at a discounted value of $7,307,000 (1982 — $7,014,000) based on an assumed interest rate of 8%.

Other Investments

This amount includes housing and stock purchase plan loans of $178,000 to certain employees, some of whom are officers and directors of the Company.

4. PROPERTY, PLANT AND EQUIPMENT

	1983			1982
	Cost $	Accumulated depletion and depreciation $	Net $	Net $
	(in thousands)			
Oil and gas				
Properties				
North America	**216,307**	**39,288**	**177,019**	165,953
Arctic	**13,757**		**13,757**	12,229
Overseas	**12,583**		**12,583**	12,268
Plant and equipment	**55,519**	**6,648**	**48,871**	37,785
	298,166	**45,936**	**252,230**	228,235
Mining				
Metals				
Properties and development	**4,197**	**1,715**	**2,482**	2,555
Plant and equipment	**21,252**	**12,719**	**8,533**	9,034
Construction in progress	**68,444**		**68,444**	34,458
Coal and industrial minerals	**5,660**	**869**	**4,791**	4,975
	99,553	**15,303**	**84,250**	51,022
Leasehold improvements and other equipment	**3,150**	**1,386**	**1,764**	1,535
	400,869	**62,625**	**338,244**	280,792

Interest in the amount of $3,977,000 (1982 — $2,763,000) was capitalized during 1983 in connection with the development of the H-W deposit at Myra Falls.

Under the provisions of the Petroleum Incentives Program, the Company has accrued $11,423,000 in 1983 (1982 — $10,000,000). This amount has been shown as a reduction to the appropriate property, plant and equipment accounts.

5. LONG-TERM DEBT

(i) By agreement dated July 30, 1982 and subsequent amendment dated August 17, 1983 the Company entered into a revolving credit facility with certain Canadian chartered banks under which the Company may borrow up to $150 million Canadian or U.S. equivalent during the period to November 14, 1984 (or such later date as may be mutually agreed upon), the Revolving Loan Maturity Date, at varying interest rates depending upon the nature of the loans. On or prior to the Revolving Loan Maturity Date, the Company may convert its indebtedness to a five-year term basis. The credit facility is unsecured but the Company is restricted from creating security on any of its assets (except for the H-W mine/mill project) without providing security on a pari passu basis to the lenders under this agreement. Pending completion of the loan documentation for the H-W project financing, $63 million has been drawn for that project under this facility.

(ii) By letter agreement dated August 22, 1983 the Company has accepted a financing proposal from certain Canadian chartered banks for the construction of the H-W Mine/Mill Complex. The Company may borrow up to $200 million Canadian or U.S. equivalent during the construction period on a revolving credit basis until the earlier of project completion or December 31, 1985 (or such later date as may be mutually agreed upon). On or prior to the Term Loan Conversion Date the Company has the option to term the outstanding loan balance for a seven year period. Interest rates are floating and vary from time to time depending on the currency and the nature of the loans. The loan is secured, on a non-recourse basis, by the project assets following completion, but is a full obligation to Westmin until completion has been attained.

(iii) In addition the Company has available short-term operating lines of credit with its principal bankers amounting to $35 million.

6. SHARE CAPITAL

	1983 $	1982 $
	(in thousands)	
Authorized —		
An unlimited number of:		
Class A Preferred Shares issued in series		
Class B Preferred Shares issued in series		
Common shares without par value		
Issued and fully paid —		
1,000,000 Class A Preferred Shares, Series 1	**100,000**	100,000
3,999,300 Class B Preferred Shares, Series 1	**99,982**	100,000
37,798,548 Common Shares	**90,055**	37,625
	290,037	237,625

Class A Preferred Shares, Series I

The Class A Preferred Shares rank in priority to all other shares of the Company. The first series of this class of shares have attached thereto certain provisions which include:

(i) the right to receive cumulative annual dividends equal to one and one-half percent plus one-half of the average prime rate of interest charged by certain Canadian banks adjusted daily but payable quarterly.

(ii) the obligation to redeem at par plus accrued and unpaid dividends a maximum of 5% of the outstanding shares per annum commencing January 1, 1983. This obligation has been waived by the preferred shareholders for 1983 and 1984. The Company may accelerate redemption after December 31, 1985 and may at any time purchase all or any part of the outstanding shares for cancellation.

(iii) the right of the holders of the shares to require the Company after June 1, 1992 to repurchase all the shares which are then outstanding at a price of $100 per share plus accrued and unpaid dividends.

Class B Preferred Shares, Series I

The Class B Preferred Shares rank junior to the Class A Preferred Shares and senior to the common shares. The first series of this class of shares have attached thereto certain provisions which include:

(i) the right to receive cumulative dividends of $2.125 per annum per share payable quarterly on the last day of each calendar quarter.

(ii) the right of the holders to convert the shares into common shares of the Company at any time prior to May 2, 1988 at the rate of 1.695 common shares for each preferred share.

(iii) the obligation of the Company to make all reasonable efforts to purchase, during each calendar quarter commencing July 1, 1988 at a price not exceeding the $25.00 issue price per share plus accrued and unpaid dividends and costs of purchase, 1% of the number of preferred shares outstanding as at May 1, 1988.

	Number of shares	$ (in thousands)
Class B Preferred Shares		
As at December 31, 1982	4,000,000	100,000
Converted to common shares	700	18
As at December 31, 1983	3,999,300	99,982
Common Shares		
As at December 31, 1982	33,822,288	37,625
Issued for cash		
Private placement	3,600,000	49,500
Employee stock purchases	69,297	1,063
Employee stock options	305,777	1,849
Issued on conversion of Class B Preferred shares	1,186	18
As at December 31, 1983	37,798,548	90,055

Under the terms of the Company's employee stock option plan, options of 765,443 shares were outstanding as at December 31, 1983, exercisable at varying dates to 1988 at prices ranging from $2.48 to $15.75 per share.

7. DIVIDENDS

	1983 $	1982 $
	(in thousands)	
Class A Preferred	**7,106**	9,494
Class B Preferred	**8,500**	8,500
Common	**7,545**	3,382
	23,151	21,376

8. INCOME AND RESOURCE TAXES

The provision for income and resource taxes consists of:

	1983 $	1982 $
	(in thousands)	
Income taxes		
— current		832
— deferred	**17,483**	20,700
— Alberta royalty tax credit	**(4,000)**	(4,669)
— investment tax credit	**(300)**	
	13,183	16,863
Provincial mining taxes — deferred	**(73)**	420
Petroleum and gas revenue tax	**7,042**	6,051
Incremental oil revenue tax		266
Total income and resource taxes	**20,152**	23,600

The following reconciles the difference between the income tax expense recorded and the expected tax expense obtained by applying the expected tax rate to earnings before income and resource taxes.

	1983 %	1982 %
Federal tax rate	**46.0**	46.0
Federal surtax	**.9**	1.8
Provincial abatement	**(10.0)**	(10.0)
Provincial tax rates	**13.5**	13.6
Expected tax rate	**50.4**	51.4

	1983		1982	
	$ in thousands	% of pre-tax income	$ in thousands	% of pre-tax income
Expected tax expense	**28,977**	**50.4**	32,248	51.4
Effect on taxes from:				
Crown royalty and rental disallowance	**4,344**	**7.5**	3,870	6.2
Resource allowance	**(6,908)**	**(12.0)**	(5,696)	(9.1)
Depletion allowance	**(4,642)**	**(8.1)**	(6,111)	(9.7)
Alberta royalty tax credit	**(4,000)**	**(7.0)**	(4,669)	(7.5)
Tax exempt dividends	**(4,323)**	**(7.5)**	(2,560)	(4.1)
Investment tax credit	**(300)**	**(.5)**		
Other	**35**	**.1**	(219)	(.3)
Income tax provision	**13,183**	**22.9**	16,863	26.9

9. EARNINGS PER COMMON SHARE

Earnings per share have been calculated after deducting dividends paid on the preferred shares and using the weighted monthly average of shares outstanding.

10. OTHER INFORMATION

Commitments

The Company has approved the development of the H-W Mine, Myra Falls, British Columbia at an estimated cost of $225,000,000. As at December 31, 1983, $68,400,000 has been expended.

Pension plans exist for all employees. Based on the most recent actuarial evaluation of the plans, the unfunded past service liability as at December 31, 1983 is approximately $105,000 which is being funded and charged to earnings during the period ending December 31, 1986.

Related Party Transactions

In the normal course of business, the Company engages professional services of various engineering and geological consulting firms. During 1983, $3,233,000 was paid to such a company in which a director holds a majority interest. Terms of these transactions are the same as with unrelated parties.

From time to time the Company arranges investment transactions in conjunction with certain affiliates. These transactions are carried out without cost and at normal market terms.

Segmented Information

The directors have determined the Company's principal classes of business, as defined by the Canada Business Corporations Act, to be oil and gas and mining. Financial information relating thereto is disclosed in the Consolidated Statement of Segmented Information.

Contingencies

On March 12, 1981 the Company was charged under the Fisheries Act (Canada). The Company is unaware of any damage occasioned to fish or other marine life by its mining operations and intends to defend itself against the charges. The claim and a subsequent appeal were dismissed during 1983 but the Crown has further appealed the decision. It is not possible at this time to determine the outcome of this action.

Consolidated Statement of Segmented Information

(in thousands)

	1983 Oil and Gas $	1983 Mining $	1983 Other and Unallocated $	1983 Consolidated Total $	1982 Oil and Gas $	1982 Mining $	1982 Other and Unallocated $	1982 Consolidated Total $
Revenue								
Domestic	79,539	13,536		93,075	67,248	30,986		98,234
Other	3,890	20,489		24,379	1,791	16,518		18,309
	83,429	34,025		117,454	69,039	47,504		116,543
Investment income			9,572	9,572			6,918	6,918
Other	1,661		2,683	4,344	1,413		673	2,086
	85,090	34,025	12,255	131,370	70,452	47,504	7,591	125,547
Expenses								
Royalty expense	15,794			15,794	11,128			11,128
Cost of production	14,366	22,492		36,858	11,984	22,740		34,724
Mineral exploration		3,383		3,383		4,283		4,283
General and administrative			4,558	4,558			3,949	3,949
Depletion and depreciation	8,927	1,330	342	10,599	6,224	1,545	282	8,051
Income & resource taxes	20,221	1,856	(1,925)	20,152	16,316	7,678	(394)	23,600
	59,308	29,061	2,975	91,344	45,652	36,246	3,837	85,735
Net Earnings	25,782	4,964	9,280	40,026	24,800	11,258	3,754	39,812
Current assets	21,948	8,140	134,159	164,247	25,065	12,954	63,248	101,267
Investments	626	8,337	35,054	44,017	510	8,001	29,086	37,597
Property, plant and equipment	252,230	84,250	1,764	338,244	228,235	51,022	1,535	280,792
Total assets	274,804	100,727	170,977	546,508	253,810	71,977	93,869	419,656
Capital expenditures	32,922	34,557	575	68,054	53,216	23,411	525	77,152

Summary of Changes in Cash Position

For The Years Ended December 31 (in thousands)

	1983 $	1982 $	1981 $	1980 $	1979 $	1978 $	1977 $	1976 $
FUNDS PROVIDED:								
Operations before mineral exploration	70,453	72,183	63,415	60,082	47,272	27,614	20,790	13,065
Mineral exploration expense	3,383	4,283	5,199	4,007	4,319	1,640	2,239	3,038
Net from operations	67,070	67,900	58,216	56,075	42,953	25,974	18,551	10,027
Reduction in long-term receivable	250	250	250	500	400	400	400	400
Bank loan	39,000	24,000		22,000				
Advances					5,000	2,000		20,814
Share capital, net of issue costs	52,412	717	95,932	64	50	67	49	49
Changes in other working capital	6,823	6,541	(13,623)	14,236	6,796	(12,699)	(7,678)	(12,291)
Other	373	460	313	579	1,118	2,193	5,731	7,446
	165,928	99,868	141,088	93,454	56,317	17,935	17,053	26,445
FUNDS USED:								
Investments	3,812	1,435	2,801	23,784	108	107	7	8
Property, plant and equipment	68,054	77,152	49,388	49,719	48,577	15,906	8,866	12,766
Bank loan repaid			22,000					
Advances repaid							5,504	
Dividends	23,151	21,376	16,923	28,554	3,141	267	267	264
	95,017	99,963	91,112	102,057	51,826	16,280	14,644	13,038
INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	70,911	(95)	49,976	(8,603)	4,491	1,655	2,409	13,407
CASH AND SHORT-TERM INVESTMENTS AT BEGINNING OF YEAR	63,248	63,343	13,367	21,970	17,479	15,824	13,415	8
CASH AND SHORT-TERM INVESTMENTS AT END OF YEAR	134,159	63,248	63,343	13,367	21,970	17,479	15,824	13,415

Eight Year Financial Summary*

	For The Years Ended December 31							
	1983 $	1982 $	1981 $	1980 $	1979 $	1978 $	1977 $	1976 $
	(in thousands except per share amounts)							
REVENUE								
Oil and gas	**83,429**	69,039	53,845	48,555	29,148	26,689	21,610	13,038
Mining	**34,025**	47,504	42,760	42,071	43,639	21,130	15,647	16,344
Investment income	**9,572**	6,918	8,690	3,633	7,152	2,577	1,156	541
Other	**1,661**	1,413	788	427	267	89	28	113
	128,687	124,874	106,083	94,686	80,206	50,485	38,441	30,036
EXPENSES								
Royalty expense	**15,794**	11,128	10,823	9,113	5,064	4,315	3,624	2,514
Cost of production —								
Oil and gas	**14,366**	11,984	8,204	5,958	2,954	2,165	1,817	1,228
Mining	**22,492**	22,740	16,161	14,741	12,890	10,915	11,112	10,256
Mineral exploration	**3,383**	4,283	5,199	4,007	4,319	1,640	2,239	3,038
General and administrative	**4,558**	3,949	3,167	3,089	2,022	1,278	1,465	1,617
Depletion and depreciation	**10,599**	8,051	8,670	7,924	5,466	4,895	4,968	4,189
Interest			1,443	1,162	83			406
Currency translation adjustments			187	(288)	215	(507)	(642)	46
Other							213	504
	71,192	62,135	53,854	45,706	33,013	24,701	24,796	23,798
EARNINGS FROM OPERATIONS	**57,495**	62,739	52,229	48,980	47,193	25,784	13,645	6,238
RESOURCES REVENUE TAXES	**7,042**	6,317	3,500					
INCOME AND MINING TAXES								
Current	**(4,300)**	(3,837)	(442)	1,600	6,596	988	(413)	497
Deferred	**17,410**	21,120	17,260	15,800	13,471	8,421	4,335	1,757
	20,152	23,600	20,318	17,400	20,067	9,409	3,922	2,254
EARNINGS BEFORE THE FOLLOWING	**37,343**	39,139	31,911	31,580	27,126	16,375	9,723	3,984
Equity in earnings of Lacana Mining Corporation	**2,683**	673	1,035	350				
Write down of deferred development expenditures, net of income taxes								(9,800)
Extraordinary items					835	688	4,203	
NET EARNINGS (LOSS) FOR THE YEAR	**40,026**	39,812	32,946	31,930	27,961	17,063	13,926	(5,816)
EARNINGS (LOSS) PER COMMON SHARE	**.66**	.65	.58	.71	.60	.32	.24	(.37)
CASH FLOW (Before mineral exploration expense)	**70,453**	72,183	63,415	60,082	47,272	27,614	20,790	13,065
CAPITAL EXPENDITURES								
Oil and gas								
Exploration	**10,782**	11,500	24,339	23,135	19,148	10,924	6,687	5,520
Development	**22,140**	30,516	14,005	12,888	7,842	4,724	2,955	3,681
Properties purchased (sold)		11,200		2,686	20,171		(1,410)	
Mining development	**34,557**	23,411	10,248	10,782	1,063	230	552	579
Other	**575**	525	796	228	353	28	82	63
Total capital expenditures	**68,054**	77,152	49,388	49,719	48,577	15,906	8,866	9,843
WORKING CAPITAL	**140,452**	76,364	83,000	19,401	42,240	44,545	30,191	20,104
LONG TERM DEBT	**63,000**	24,000		22,000				

*Westmin is building towards a 10-year Financial Summary with 1976 as a base, since it is the first full year following the initial Western Mines-Brascan Resources association.

Operations Summary

		1983	1982	1981	1980	1979	1978	1977	1976
PRODUCTION									
Crude oil and									
natural gas liquids	barrels	**1,227,100**	961,045	770,200	695,362	409,900	327,600	257,000	260,000
Daily average	barrels	**3,362**	2,633	2,100	1,900	1,123	898	704	712
Natural gas	MMcf	**16,036**	15,144	15,422	15,374	13,570	14,800	14,797	10,561
Daily average	MMcf	**44**	41	42	42	37	41	41	29
Ore delivered to the mill	tons	**273,787**	317,002	271,334	306,712	294,181	296,560	296,598	296,846
Payable metal (000's)									
Gold (oz.)		**17**	20	17	19	20	18	16	18
Silver (oz.)		**781**	959	783	786	791	841	914	1,068
Cooper (lbs.)		**4,814**	5,344	4,824	5,941	6,296	5,923	5,322	5,187
Lead (lbs.)		**4,195**	4,801	4,305	5,125	5,425	5,409	5,353	5,948
Zinc (lbs.)		**28,317**	33,488	29,212	33,656	36,509	35,868	33,318	32,010
RESERVES — GROSS PROVEN									
Crude oil and									
natural gas liquids	million barrels	**10.8**	9.7	6.7	6.1	4.9	3.2	2.7	2.9
Natural gas	Bcf	**386**	411	410	364	324	275	276	254
Ore	Thousand tons	**883**	1,021	1,057	1,092	1,144	1,273	1,460	1,704

Westmin Share Price Range

Westmin shares continued to attract widening interest among institutions and the general investing public during the past year. Opportunities for large-block buyers were enhanced with the March private placement of 3.6 million common treasury shares with a group of some 40 mostly-Canadian funds and institutions.

As of the year-end, there were 37,789,548 common shares outstanding versus 33,822,288 shares a year earlier.

On September 1, 1983, Westmin became part of the Brascade Resource Inc. group when the latter acquired a 63% fully diluted interest in Westmin from Brascan Limited.

Early in the year, Westmin doubled the annual rate of dividends on the common shares to 20¢ per share.

The Class B shares pay an annual dividend of $2.125 per share and they are convertible into common shares on the basis of 1.695 common shares for each $25 preferred share or the approximate equivalent of $14.749 per common share. During 1983 the common shares generally traded well above the equivalent price.

While the Company's shares are listed on the Toronto, Vancouver and Montreal Exchanges, most trading occurs on the TSE.

Trading Range 1983 ($ per share)

	Common Shares			Class B Convertible Preferred Shares		
	High	Low	Close	High	Low	Close
First Quarter	15.88	11.62	14.62	30.00	26.12	28.88
Second Quarter	18.38	13.00	18.25	32.12	27.38	31.25
Third Quarter	18.50	16.75	16.75	32.50	30.00	30.00
Fourth Quarter	17.00	13.75	17.00	30.75	28.00	30.50

CANADIAN OWNERSHIP RATE

During 1983, Westmin retained its Canadian Ownership Rate (COR) at Level 4, the maximum level, providing maximum benefits to the Company.

The Energy Security Act 1982 provides, in part, for the Petroleum Incentives Program (PIP) and the certification of the Canadian Ownership Rate (COR) of companies which may be entitled to PIP payments. This incentive program and the related COR determinations, are central features of the National Energy Program.

The PIP payments provide for reimbursement of certain exploration and development expenditures based on the nature of the expenses incurred, the location of the activity and the percentage of Canadian ownership.

The maximum COR level provides the following incentive payments as a percentage of eligible expenditures:

	Provincial Lands	Canada Lands
Exploration	35%	80%
Development	20%	20%

Corporate Information

Officers

A. WILLIAM FARMILO
Chairman of the Board

PAUL M. MARSHALL
President and Chief Executive Officer

DOUGLAS W. MILLER
Executive Vice-President and General Manager, Petroleum Division

GORDON H. MONTGOMERY
Executive Vice-President and General Manager, Mining Division

JOHN S. WALTON
Executive Vice-President

RICHARD H. OSTROSSER
Senior Vice-President

WILLIAM B. HARTLEY
Vice-President, Land, Petroleum Division

JOHN B. KILLICK
Vice-President, Corporate Development

EUGENE W. KULSKY
Vice-President, Exploration, Petroleum Division

DR. ARTHUR E. SOREGAROLI
Vice-President, Exploration, Mining Division

CAMERON G. TROYER
Vice-President, Production, Petroleum Division

DONALD D. WEBSTER
Vice-President, Finance and Treasurer

RAYMOND O. HAMPTON
Corporate Secretary

H. WILLIAM VERVEDA
Assistant Treasurer and Corporate Controller

ROSS A. MITCHELL
Assistant Treasurer and Controller, Mining Division

DONALD A. REPKA
Assistant Secretary

Directors

NEIL W. BAKER, Winnipeg
President and Chief Executive Officer, The Winnipeg Supply & Fuel Company Limited

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Executive Vice-President, Brascan Limited

J. TREVOR EYTON, Q.C., Toronto
President and Chief Executive Officer, Brascan Limited

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Chairman of the Board

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Vancouver
Corporate Secretary

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Chairman and Chief Executive Keewhit Investments Limited

PAUL M. MARSHALL, Calgary †
President and Chief Executive Officer

JOHN A. McLALLEN, Vancouver*
Private Investor

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Executive Vice-President and General Manager, Petroleum Division

GORDON H. MONTGOMERY
Vancouver †
Executive Vice-President and General Manager, Mining Division

JOHN S. WALTON, Calgary †
Executive Vice-President

HAROLD M. WRIGHT,
Vancouver †*
Chairman, Wright Engineers Limited

† Member, Executive Committee
* Member, Audit Committee

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Registrar and Transfer Agent

Canada Permanent Trust

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