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WESTMIN

WESTMIN RESOURCES LIMITED ANNUAL REPORT 1981

Corporate Profile

This is Westmin! The new corporate wordmark was adopted following approval of the name change from Western Mines at the Special General Meeting in Vancouver on March 26, 1981.

The bold corporate name style is underscored by a graphic and tonal depiction of the earth's strata. The extended leg of the letter 'M' signifies probing of the earth's crust in the search for oil and gas, coal, precious and base metals. It's a good, strong wordmark . . . very visible and with lasting impact. We would like to think that it signifies the strengths of our Company and its people.

As Westmin Resources grows, the new logo will appear at more drill sites and on more production facilities. Watch for it.

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Metric Conversion

The petroleum industry in Canada began to convert from the Imperial System of Units to the International System of Units (metric) in 1979. In the Petroleum section of this Annual Report, both units are shown.

1 cubic metre (1 m^3) (liquid)	=	6.29 barrels
1 cubic metre (1 m^3) (gas)	=	35.49 cubic feet
1 metre	=	3.28 feet
1 hectare	=	2.50 acres
1 kilometre	=	0.62 mile
1 gigajoule	=	0.95 million Btu
1 short ton	=	0.907185 tonnes

Corporate Highlights

	1981	1980
Financial		
($000's except per share amounts)		
Gross revenues	106,083	94,686
Net earnings	32,946	31,930
Per share	.58	.71
Funds from operations	63,415	60,082
Working capital	83,000	19,401
Capital expenditures	49,388	49,719
Mineral exploration	5,199	4,007
Total assets	353,026	244,849
Operating		
Gross natural gas production		
Million cubic feet per day	42	42
Thousand cubic metres per day	1 190	1 184
Gross crude oil and gas liquids production		
Barrels per day	2,100	1,900
Cubic metres per day	335	302
Mineral production		
Average daily tons	926	965
Gross proven reserves		
Sales gas		
Millions of cubic feet	409,535	364,320
Millions of cubic metres	11 539	10 265
Crude oil and natural gas liquids		
Thousands of barrels	6,684	6,082
Thousands of cubic metres	1 063	967
Ore — Tons	1,057,400	1,091,800
Land Holdings		
Thousands of gross acres	8,389	8,550
Thousands of gross hectares	3 356	3 420
Thousands of net acres	1,760	1,836
Thousands of net hectares	704	734

Annual General Meeting

The Annual General Meeting of Westmin Resources Limited will be held on Wednesday, April 21, 1982, at 2:00 p.m. in the Four Seasons Hotel, Vancouver, British Columbia.

To the Shareholders

A Record Year in Trying Times

Westmin Resources Limited had a record year in 1981, with gross revenues, cash flow and net earnings all increasing to new highs.

Significantly, these results were attained in a year which saw the imposition of new and onerous taxes on petroleum revenues and much lower prices for base and precious metals. We must add that this achievement would not have been possible without the foresight, dedication and hard work of our employees. To them, the Board of Directors extend their thanks and sincere appreciation.

Total revenues increased to $106,083,000 from $94,686,000 and cash flow rose to $63,415,000 from $60,082,000 while net earnings increased to $32,946,000 from $31,930,000. Increased provision for dividends on the Company's preferred shares had the effect of reducing net per common share to 58¢ from 71¢ the previous year.

Capital expenditures amounted to $49,388,000, just a shade under those committed in 1980. The Company ended the year with an exceptionally strong balance sheet showing no debt and a working capital position of $83,000,000 . . . including $63,343,000 in cash and short-term investments.

The Company's financial position was dramatically strengthened with a successful $100,000,000 issue of Class B Convertible Preferred Shares in April, 1981.

Petroleum Operations

The Petroleum Division had an active year despite the unsettled conditions that prevailed in Canada's oil and gas industry. The Company participated in the drilling of 168 wells, of which 34 were completed as oil wells, 83 as gas wells and 51 were dry holes, resulting in a net 22 oil wells and 36 gas wells. In addition, other operators drilled 66 wells on Westmin lands at no cost to the Company. This drilling resulted in 9 oil and 44 gas wells in which Westmin retained overriding royalty interests. The overall success ratio was in the order of 73%.

Production of oil increased to 2,100 barrels per day from 1,900 barrels per day in 1980. Gas production averaged 42 million cubic feet per day, about the same as the year before.

Total proven and probable reserves of oil, net of production, increased 541% to 74,482,000 barrels, while gas reserves, net of production, rose 14% to 500.8 billion cubic feet.

The value of petroleum reserves at December 31, 1981, as determined by McDaniel and Associates Consultants, amounted to $442 million, an increase of $116 million or 36% over year-earlier evaluations. Values are based on a 15% annual discount rate before income tax.

Mining Operations

Income from coal royalties topped $1 million in 1981 and revenues from this source will continue to increase.

In the Mining Division 271,334 tons of ore were processed. This is down about 35,000 tons from the prior year due to a three-week strike in October at the Company's operations on Vancouver Island.

Net smelter returns for 1981 were almost identical to those recorded in 1980. This was due largely to forward sales of 1981 precious metals production during 1980, when prices were much higher. These contracts served to cushion the effects of the drastic drop in metal prices during the past year but only a limited amount of 1982 production is similarly insulated.

H-W Orebody

Further definition drilling on the new H-W orebody has extended that zone to a strike length of 3,600 feet with drill indicated and possible reserves standing at 12.9 million tons at year-end. This is a 61% increase over year-earlier figures. The orebody is not yet fully defined, but it is already shaping up as one of the larger deposits of its kind in Canada. It is still open in three directions.

Sinking of the 2,500-foot shaft to develop the H-W reserves was temporarily halted at 1,370 feet in order to drive a horizontal heading into the orebody. This will open up the area for underground definitive drilling for mine planning and provide bulk samples for metallurgical testing needed to design a proposed new mill. As soon as the drive is completed, shaft sinking will resume and it should reach planned depth towards the end of the year.

Preliminary feasibility and engineering studies are underway regarding construction of a new 3,000 tons-per-day mill to process the H-W ore. This represents a three-fold increase in existing plant capacity. Detailed environmental studies have been entered into in conjunction with both provincial and federal authorities. While prior approval of numerous regulatory bodies must be obtained, the Company is confident of its ability to meet their requirements and looks forward to having the new mill in operation in 1984.

At this time, the Board of Directors would like to express its appreciation to Dr. George M. Furnival, who directed much of this recent development as Vice-President and General Manager of the Mining Division. Dr. Furnival has recently retired but his knowledge and expertise is still available to the Company on a consulting basis.

Building a Base for Greater Growth

The current year has begun with continued pressures on profits due to the increased burden of the National Energy Program taxes, combined with current depressed metal prices. These conditions are expected to prevail through at least the first half of the year.

Recognizing these factors, Westmin is most fortunate in being well postured to resume the upward thrust of earnings and cash flow late in 1982. On January 12th, the Company announced a special petroleum development program by which it will spend $30 million in Alberta this year. This is in addition to ongoing expenditures for exploration and development in both the mining and petroleum divisions.

Oil and Gas Expansion

This special program centres on major developments in natural gas and new oil. The gas program involves participation in the building or expansion of 15 gas plants and related facilities and the tying in of existing and proposed development wells. The gas from all of these plants has been contracted and production is scheduled to start up during the fourth quarter of 1982. Westmin's share of production is estimated to amount to 21 million cubic feet per day.

The program includes the drilling of 60 wells for the production of conventional and heavy oil. The important impact of this portion of the program is that most, if not all of these wells, will qualify for the "new" oil price. In addition, the majority of the wells will be on the Company's mineral title acreage, which means that taxes payable on production are significantly lower than prevailing Crown royalties applicable to similar production on other lands.

Outlook

As a result of this special program, Westmin can look forward to new cash flow in the vicinity of $25 million per annum commencing late this year. These funds will serve to replace cash flow from depleting reserves, as well as adding substantially to funds available for further exploration and development.

On the mining scene, metal prices appear to be at or near their lows of the current cycle. Westmin has been fortunate in that its present workings are poly-metal mines, which generally have not suffered to the same extent as operations dependent on the vagaries of single metal output.

The timing of any upturn in metal prices will depend on economic recovery and that, of course, is very difficult to predict. It seems reasonable to assume, however, that industrial activity should greatly increase by 1983, and this could indeed occur as early as the second half of this year. When this happens, Westmin will benefit greatly from its present operations on Vancouver Island and much more so from both volume and economies of scale when the new mill is in operation.

In addition, Westmin has promising mineral exploration programs in other parts of British Columbia, Ontario, Quebec and the Northwest Territories, which could be further enhanced by metal price recovery.

Because of its strong asset base, absence of debt, good borrowing capacity and its sturdy cash flow, Westmin enters 1982 well equipped to realize on many available opportunities. In 1983, the Company should achieve a new plateau in cash flow and earnings, from which to continue to build its asset base in all divisions.

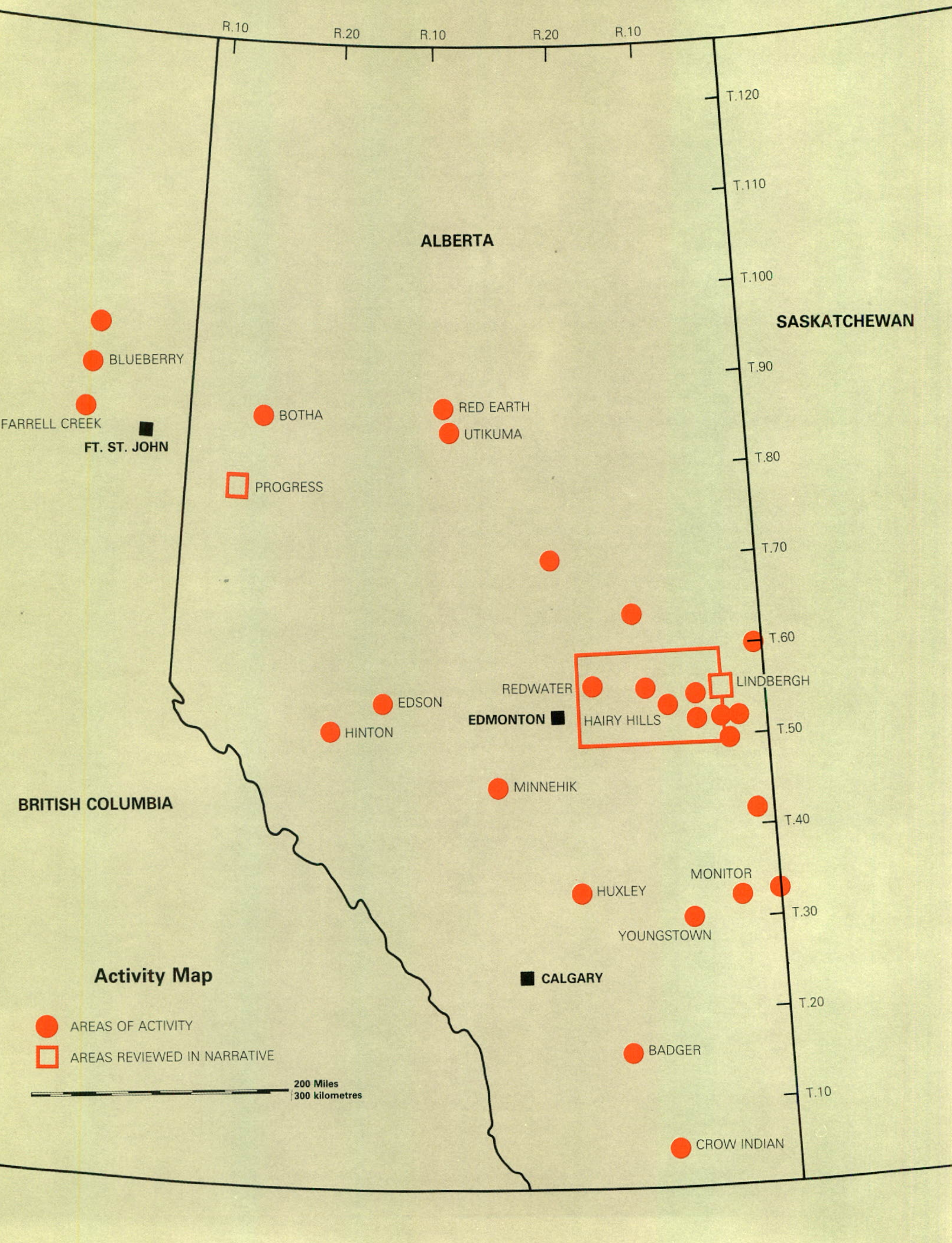
On Behalf of the
Board of Directors,

A. W. Farmilo

A. W. FARMILO
Chairman of the Board

PAUL M. MARSHALL
President and Chief
Executive Officer

March 3, 1982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REDWATER
LINDBERGH
EDSON
HINTON
EDMONTON
HAIRY HILLS
MINNEHIK
MONITOR
HUXLEY
YOUNGSTOWN
CALGARY
BADGER
CROW INDIAN
Activity Map
AREAS OF ACTIVITY
AREAS REVIEWED IN NARRATIVE
200 Miles
300 kilometres

Petroleum Division

Reserves

Westmin's proven and probable gas reserves before royalty increased by 14% to 501 billion cubic feet during 1981 while reserves of proven and probable additional crude oil and natural gas liquids were ahead 541% to 74.5 million barrels, based on estimates by McDaniel and Associates Consultants Ltd.

Most of this big increase in oil reserves was as a consequence of inclusion of the estimates of probable recovery of heavy oil underlying Company lands in the Lindbergh and Vermilion areas of east-central Alberta, which may be obtained through future institution of non-conventional tertiary recovery schemes.

Service rig at work on north-central Alberta well-site.

	Crude Oil and Natural Gas Liquids		Sales Gas	
	MM BBLS	10^6m^3	BCF	10^9m^3
1981	74.5	11.8	501	14.1
1980	11.7	1.8	439	12.4
1979	11.7	1.9	384	10.8
1978	5.9	0.9	328	9.2
1977	4.1	0.6	325	9.2
1976	4.1	0.6	291	8.2

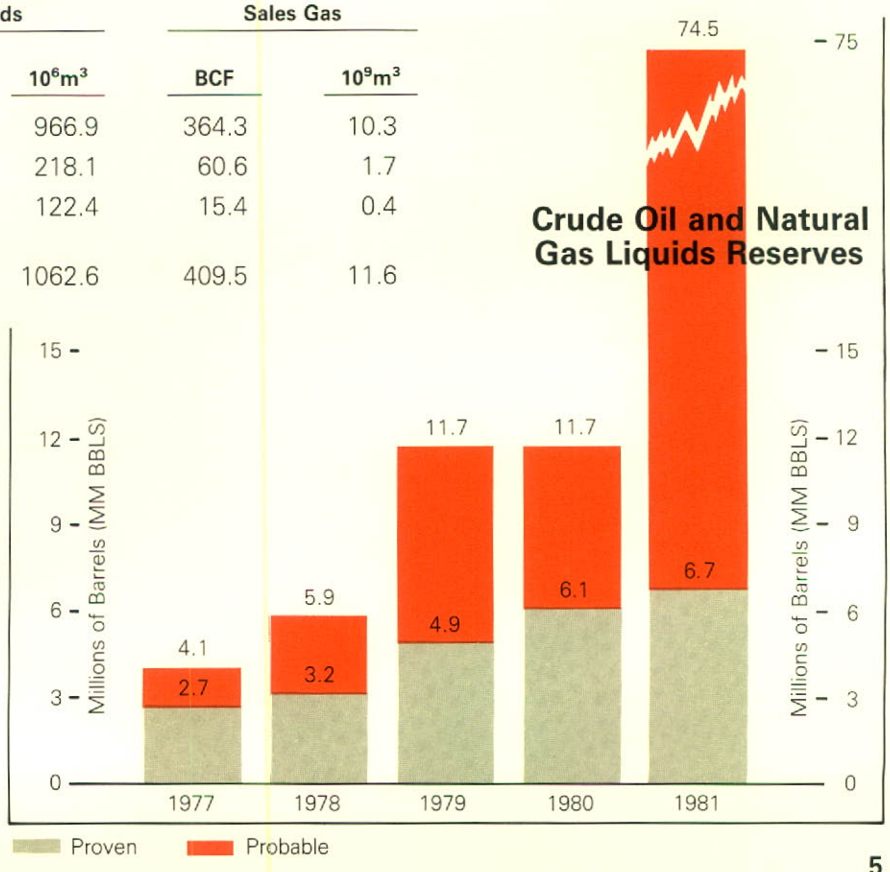
The following table shows the status of Westmin's proven reserves from December 31, 1980 to December 31, 1981:

	Crude Oil and Natural Gas Liquids		Sales Gas	
	MM BBLS	10^6m^3	BCF	10^9m^3
Reserve Status				
• December 31, 1980	6.1	966.9	364.3	10.3
• Additions — 1981	1.4	218.1	60.6	1.7
• Sales — 1981	0.8	122.4	15.4	0.4
Reserve Status				
• December 31, 1981	6.7	1062.6	409.5	11.6

Land Acquisitions and Transactions

In 1981 Westmin continued its land acquisition program and spent approximately $3 million in acquiring varying interests in 76,253 additional acres, mostly in Alberta and a number of states in the U.S.

Through lease and farmout agreements to other companies, 66 wells were drilled at no cost to Westmin in 1981 resulting in 44 gas wells, nine oil wells and 13 dry holes.



Production

Crude Oil and Natural Gas Liquids

Crude oil and natural gas liquid sales averaged 2,100 barrels per day (335 m^3/d) during 1981 compared to 1,900 barrels per day (302 m^3/d) during the previous year.

Westmin has made great progress in proving the economic viability of heavy oil production in the east-central areas of Alberta. During 1981, heavy oil production accounted for over a third of total oil output, averaging 759 barrels per day (120.3 m^3/d) . . . almost double the 1980 average of 397 barrels (63.1 m^3/d).

More than 58% of this output originated from 31 producing wells in the Lindbergh area, while the remainder came from 25 additional wells in the Vermilion, Hazeldine, St. Ives and Marwayne areas in the same part of the province.

This is a long way from production of just over 100 barrels daily back in 1979 when the Company initially tackled the rather unique challenges of establishing economic production in these areas.

Stimulated by its own heavy oil success and that of other major companies, Westmin is in the process of drilling an additional 47 wells in east-central Alberta this year, with 40 of these scheduled for the Lindbergh area.

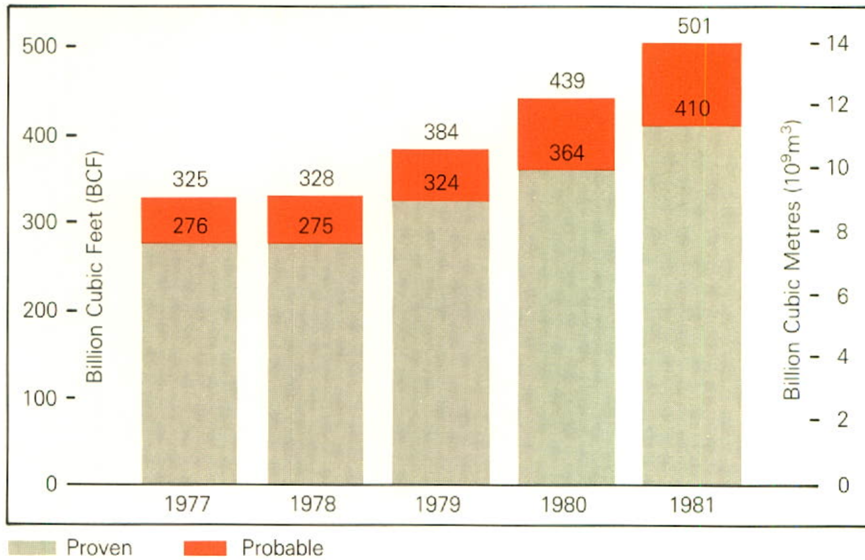
As part of this multi-million dollar program Westmin has engaged a heavy oil specialist who will coordinate a pilot plant project in the Lindbergh field to evaluate the potential of a steam stimulation thermal recovery process.

Most of the current production and all future output from the Lindbergh area qualifies for the significantly higher 'new' oil price schedule.

It is estimated, by outside consultants, that in-place reserves attributable to the Company's holdings in this area alone total some 1.1 billion barrels. Recovery on primary production is estimated at 3% - 5% but the big plus will come from enhanced programs which should recover 18% - 25% of the oil in place.

Currently, the Company is actively negotiating a joint venture agreement with a major producer to acquire an equity position in a proposed Lindbergh-Lloydminster heavy oil pipeline. Participation in this line not only promises to ensure Westmin of secure future markets for heavy oil, but also could provide access to the proposed upgrader in Saskatchewan.

Natural Gas Reserves



Production and Income *

		Year Ended December 31 1981	1980	1979
Crude oil and natural gas liquids				
Per year	bbls	770,200	695,362	409,900
	m^3	122 400	110 500	65 167
Daily average	bbls	2,100	1,900	1,123
	m^3	335	302	179
Natural gas				
Per year	MMCF ...	15,422	15,374	13,570
	10^3m^3 ...	434 500	433 200	382 361
Daily average	MMCF ...	42	42	37
	10^3m^3 ...	1 190	1 184	1 047
Gross Revenue ($000's)				
Natural Gas		39,914	37,820	23,782
Crude Oil & Gas Liquids		13,931	10,735	5,366
Total		$53,845	$48,555	$29,148

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

Natural Gas

Sales of natural gas during 1981 averaged 42 million cubic feet per day, about the same as in 1980.

However, early in 1982, the Company launched a $15 million program to participate in the building of 14 additional gas plants and the expansion of another. The gas from all of these plants has been contracted and production is scheduled to commence during the fourth quarter of 1982. Westmin's share of this added output is estimated to amount to approximately 21 million cubic feet per day.

The Company is fortunate in that less than 7% of its 321 billion cubic feet of proven Alberta gas reserves are undedicated. Some 37% or 120 BCF is already tied in to production while another 56% or 179 BCF is dedicated to major customers including Northwestern Utilities Limited, Pan-Alberta Gas Limited and TransCanada PipeLines Limited.

Virtually all of the shut-in dedicated gas is scheduled to come on stream between 1982 and 1986.

Mineral Title Acreage

Westmin owns the mineral title to approximately 507,000 acres (202 800 hectares) of petroleum, natural gas and coal rights, located mainly in central Alberta.

This mineral title land is not subject to royalty or rental payments to the Crown or other third parties but is subject to a nominal mineral tax assessed yearly on productive lands.

Approximately 340,000 acres are committed through the granting of leases, farmouts or other arrangements to other parties. Westmin has retained a lessor royalty or a lessor royalty together with overriding royalties or working interests. The Company still retains, for its sole account, approximately 269,000 acres of petroleum and natural gas rights in the relatively unexplored deeper horizons.

Westmin derived working interest, royalty and rental income of approximately $20.6 million from mineral title lands.

One of many natural gas plants operated by Westmin Resources.

Royalty Income

Westmin's income from royalty interests in petroleum and natural gas amounted to $6.1 million in 1981. Approximately $2 million of this amount was received from gas royalties and $4.1 million from oil royalties, primarily from the Redwater oil field. During 1981, royalty gas sales represented 6.2% of total gas sales and royalty crude oil sales represented 28.5% of total crude oil sales. Based on average 1981 operating profit per barrel, one barrel of royalty oil is worth approximately 1.7 barrels of working interest oil.

Drilling Operations

During 1981, Westmin participated in drilling 168 gross wells which resulted in 34 oil and 83 gas wells. In addition, other operators drilled 66 wells on Westmin lands, at no cost to Westmin, which resulted in nine oil and 44 gas wells in which the Company retained royalty interests. Included in the total 234 wells drilled, in which the Company has either a working interest or royalty interest, were 216 wells located in Alberta, two in British Columbia, 12 in the United States, three in the Beaufort Sea and one well in Saskatchewan.

The overall success ratio was in the order of 73%.

	Drilling Activity — 1981					Drilling Activity — 1980				
Working Interest	**Gas**	**Oil**	**Dry**	**Gross**	**Net**	**Gas**	**Oil**	**Dry**	**Gross**	**Net**
Exploratory	48	15	36	99	43	38	14	22	74	38
Development	35	19	15	69	35	20	17	6	43	23
TOTAL	83	34	51	168	78	58	31	28	117	61
Royalty Interest(1)	44	9	13	66	*	23	5	17	45	*

(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.

Exploration

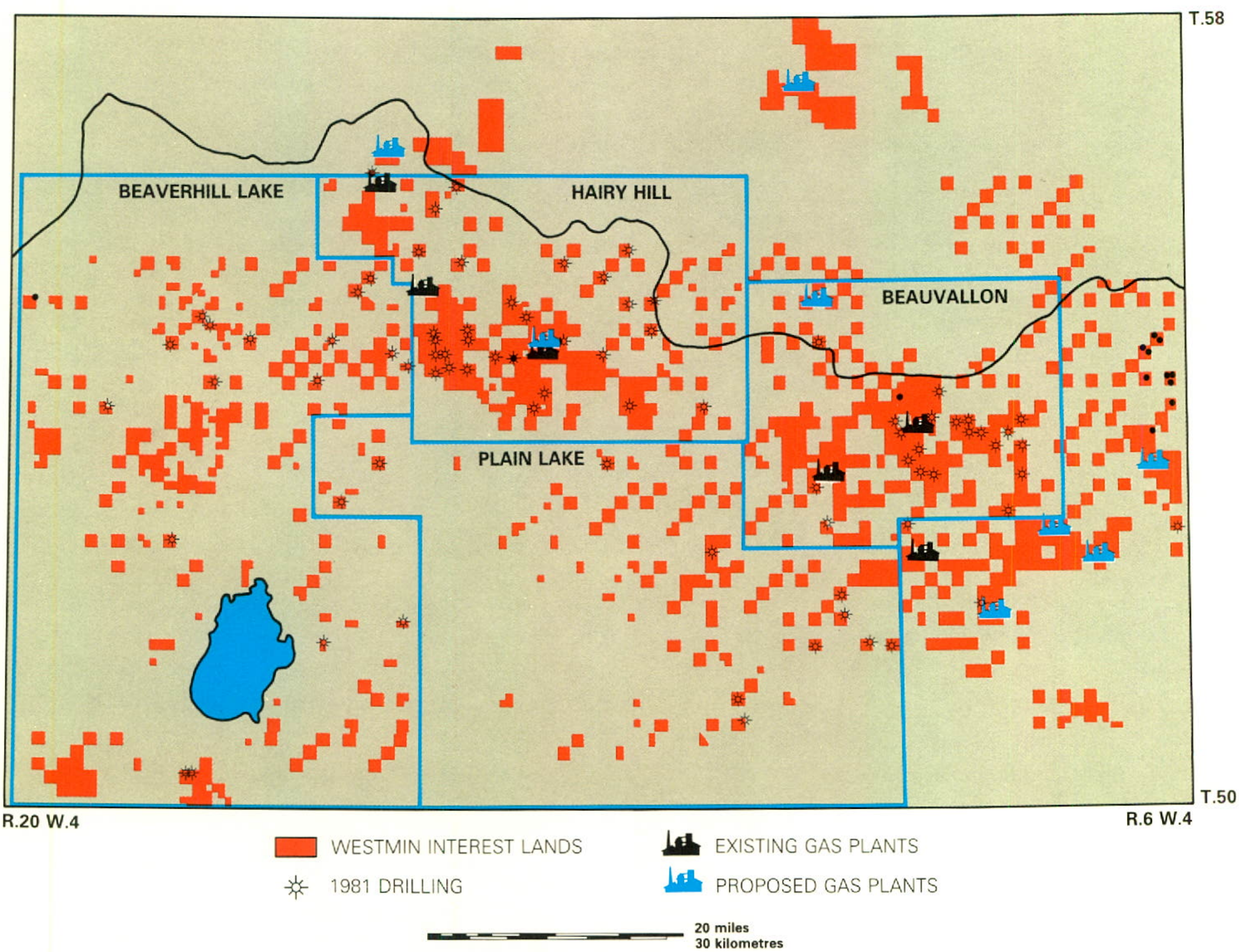
During 1981, Westmin moved closer to achieving a broader base for its drilling programs. In addition to the on-going Eastern Alberta mineral title land drilling and the Peace River Arch programs, Westmin diversified Alberta exploration into other promising areas through acreage leasing at Crown sales and participation in geophysical seismic programs.

Canada Frontier exploration was another area of new working interest involvement. On the international scene, Westmin greatly increased United States exposure through participation in two programs in the central and northern Mid-Continent, while the Abu Dhabi venture has progressed into the drilling stage.

All of the above Canadian activity occurred in an unstabilized industry climate precipitated by the 1980 and 1981 federal budgets, their subsequent revisions, and September's Energy Pricing and Taxation Accord. Changes in taxation, royalties, incentives and pricing, many still lacking complete definition, have necessitated a re-evaluation of Canada provincial and frontier exploration programs.

Alberta

Alberta has historically been Westmin's area of major petroleum exploration effort. This pattern was repeated during the past year but with somewhat diminished emphasis. The major consideration in determining exploration priorities was the revenue-generating potential of our various programs. Oil exploration is being dictated by the New Oil Reference Price established through the Energy Accord, while gas exploration is tied to only those areas with near-term marketing potential.



Progress

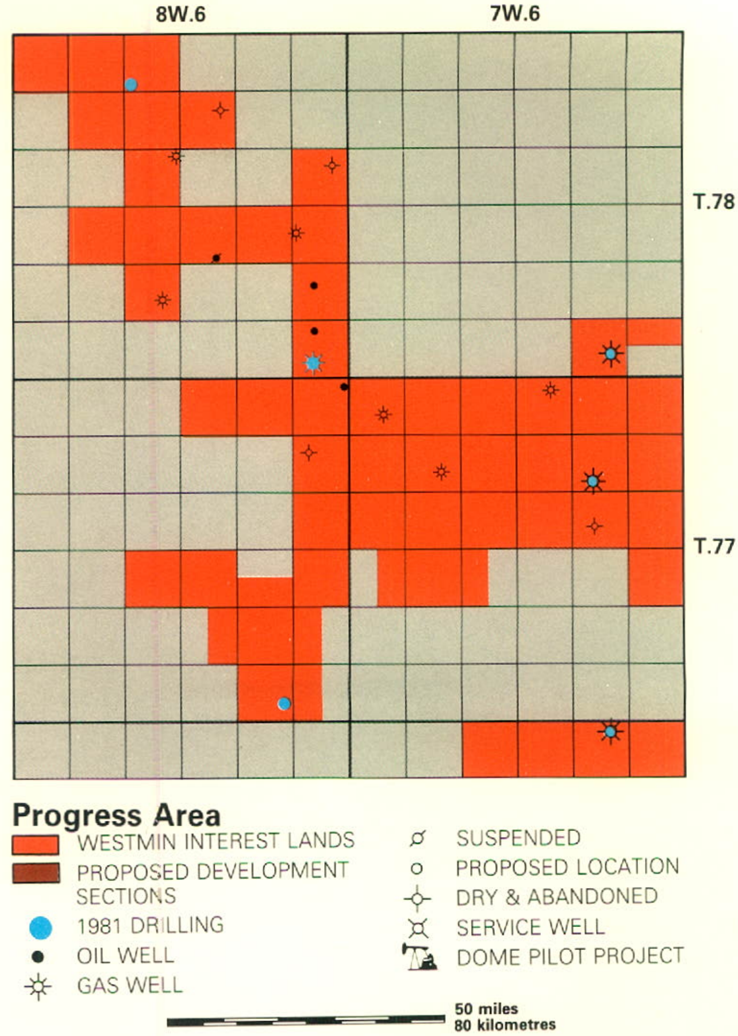
During 1981 Westmin and partners continued an extensive drilling effort in this area of northwestern Alberta. Five working interest wells were drilled with one completed as an oil well and four as gas wells. Infill drilling is continuing to completely define the pools discovered. Drilling to date has defined sufficient gas reserves to allow planning to begin for gas plant construction. Sales from this plant could commence in early 1983. Westmin's interests in this area vary from $16\frac{2}{3}\%$ to $33\frac{1}{3}\%$.

Southern Alberta

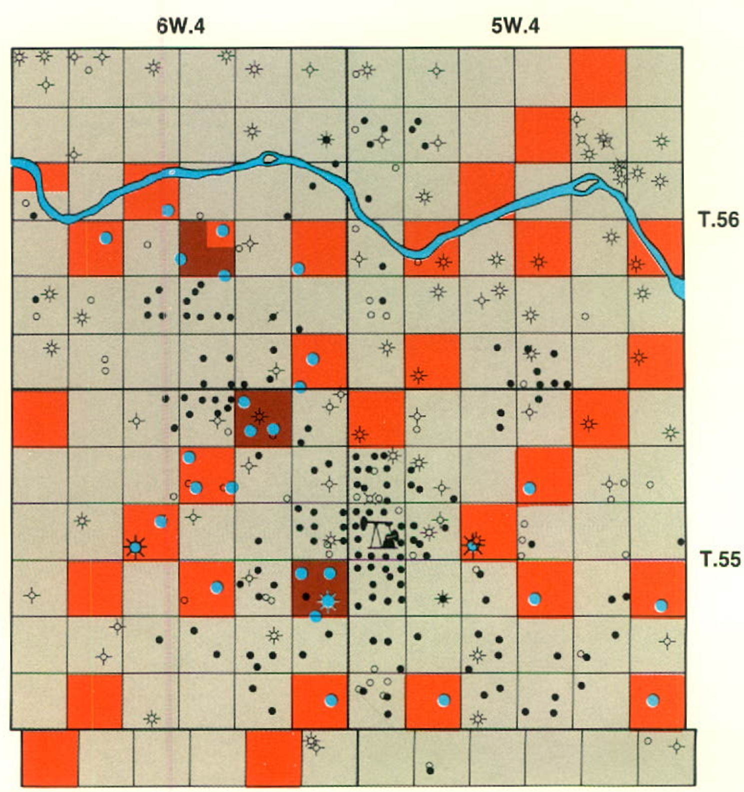
During 1981 Westmin energetically participated in the search for the highly publicized Cretaceous channels in this area. Through the shooting of extensive seismic programs, a number of prospects were uncovered which led to the purchase of Petroleum and Natural Gas rights at Alberta Crown Sales. One notable purchase was the 8-section Badger block which was leased for a two-year term by offering a bonus of $1.2 million. Westmin's interest in this block is 40%. Drilling is anticipated on this block in 1982.

Eastern Alberta

As a result of aggressive acquisition programs by one of Westmin's predecessor companies, a substantial land holding was established in east-central Alberta. The significance of these lands, which are called "fee title" or "mineral title", is that the petroleum and natural gas ownership rights are included without term. In contrast, the standard method of petroleum exploration acreage acquisition in Western Canada involves a competitive cash bid as a bonus to lease exploration rights for a period of two to five years. Fee title lands are assessed a mineral tax on production, as opposed to the much higher Crown royalties. Consequently these lands are increasingly valuable since they are inexpensive to hold and they carry no drilling commitment.



Progress Area



Lindbergh Area

Pump jack and storage tank on Lindbergh heavy oil site.

In 1981 Westmin held 507,000 acres under mineral title with a large percentage falling in an area of east-central Alberta which is prone to relatively shallow gas reserves. Although the Company is producing considerable gas from much of this acreage, it was recognized that much more acreage contained sizeable gas reserves which fell outside lands contracted to gas marketing companies. Westmin made a positive commitment toward cash flow by farming out in excess of 34,000 acres of fee title, in addition to Crown lands, to companies who could explore and market the gas discovered. These ventures, all of which were negotiated in 1981, fall into the following project areas.

Hairy Hills

In this area Westmin farmed out 22,000 acres of mineral title and 9,100 acres of Crown land to a gas utility company. Up to 50 wells may ultimately be drilled with Westmin paying 50% of the drilling costs to retain approximate revenue interests of 75% in the title properties and 42.5% in the Crown. The utility company has offered Westmin a gas sales contract for deliveries as early as mid-1982. To date the program has been highly successful. Of 31 wells drilled, 22 have been cased for gas potential, including several with multiple zones. In addition two of the gas wells also contain commercial oil zones. Recoverable gas reserves of 32 Bcf have been proven in this continuing program. In addition, certain 100% owned Westmin shut-in gas wells will now be subject to an existing contract.

North Beauvallon

In 1981 Westmin negotiated a partial farmout to another company involving 14,240 acres of Crown lease in this area with Westmin paying 25% of drilling costs to retain a 37½% working interest after recovery of certain costs. To date 17 wells have been drilled resulting in 15 gas wells and two dry holes. These wells contain a reserve of approximately 17.9 billion cubic feet. Up to 5 additional wells will be drilled. All reserves found are subject to early gas sales through the partners' gas contract.

Plain Lake

Here, Westmin farmed out 12,300 acres of mineral title acreage to a company having a contract for immediate gas sales. Westmin reserved a royalty equal to Crown and a gross overriding royalty of 17½%. To date, nine wells have been drilled resulting in eight gas wells and one dry hole and gross reserves of 7.8 billion cubic feet. Up to four additional wells will be drilled.

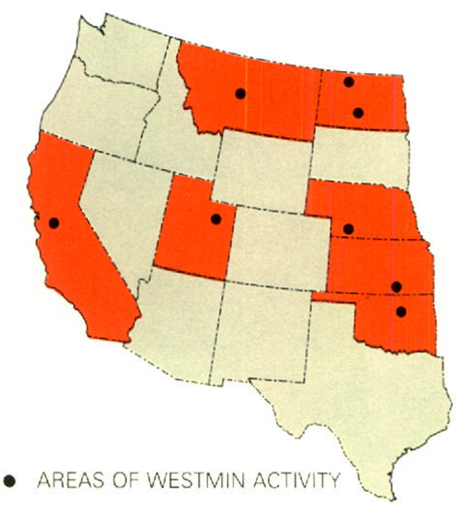
Beaverhill Lake

In an on-going farmout agreement in the Beaverhill Lake area which commenced in 1980, drilling continued on 44,000 acres of mineral title land farmed out to another company having a contract for immediate gas sales. Westmin reserved a royalty equal to Crown and a gross overriding royalty of 17½%. Drilling of 12 wells in 1981 resulted in nine gas wells. The program has resulted in 29 gas wells out of 41 wells drilled.

United States

Westmin is active in a number of ventures throughout the central and western United States, concentrating on the central Mid-Continent area and the San Joaquin Basin of California. As a result of agreements with a number of U.S. operators, Westmin will be participating in three major drilling programs. The objective of these ventures is to evaluate exploratory and development prospects, recognizing that although the exploratory risk is high, commensurate rewards will also be high.

The California program, which commenced in 1980 with an extensive seismic survey, has led to the drilling of two exploratory wells in 1981, both of which were plugged and abandoned. In 1982 we expect to participate in two additional exploratory wells.



● AREAS OF WESTMIN ACTIVITY

In the Mid-Continent area of the U.S., Westmin has participated in the drilling of six wells, three of which are located in Montana, one in North Dakota, and two in Kansas. One of these has been completed as an oil well. The remainder were high risk exploratory ventures, and were unsuccessful. Both programs were initiated late in 1981 and we expect considerably more drilling in the same areas in 1982.

A two-well development drilling program in the Altamont Bluebell field in Utah was entered into which resulted in two oil completions. Westmin's working interest in these wells is 13.7% in the Jenkins 1-23B1 well and 26.7% in the Brodrero 1-15B3. Additional development ventures in this field are being considered for 1982.

Canada Lands

Westmin's Canada Lands interests are located in four areas: the Beaufort Sea, the Labrador Continental Shelf, Lancaster Sound in the Arctic and the Eagle Plains of the Yukon. While Westmin itself does not foresee immediate drilling activity on any of these frontier lands, programs by others in the Beaufort will certainly impact on future planning.

Beaufort Sea

Last fall, prospects for Westmin's extensive Beaufort Sea acreage holdings were considerably enhanced by test results from Dome Petroleum's Kopanoar 2-1-44 step-out well and the Koakoak O-22, located just to the northwest and north respectively of a 290,000-acre block in which Westmin has a 12% working interest. The Gulf et al North Issungnak L-86 well, drilled near the southern boundary of this block, had to be suspended at 15,650 feet without being tested due to mechanical problems.

The 290,000-acre block surrounds, on three sides, 16,000 acres in which Westmin has a 2% interest. Here, the Issungnak 2-0-61 well flowed 6,456 barrels of oil per day from 4 different sands while 9 sands yielded a combined flow of 49 million cubic feet per day of gas. The O-61, on the same block, tested from several horizons and flowed oil at 2,400 barrels per day.

Westmin also has interests, which will range from 6.1% to 7.9%, in a 348,000-acre block in the Hutchinson Bay area on which Dome et al have made two gas discoveries (Ukalerk I-50 and Tingmiark K-91). The Company also has a 3.9% interest in 468,000 acres in the Cape Bathurst area where Dome has reached total depth on the Kilannak M-76 well which is currently standing suspended.

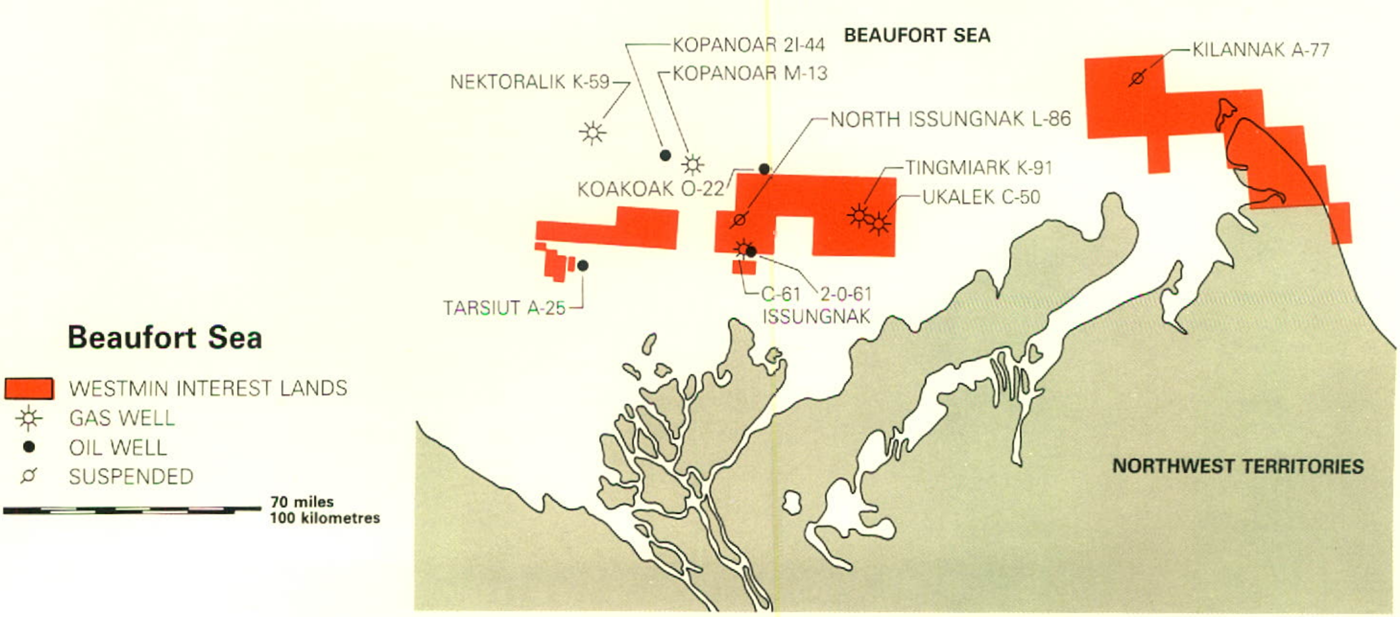
East Coast Labrador Offshore

This area was subject to intensive review during 1981 as a result of the drilling conducted by Chevron Canada Limited in the two prior years. We anticipate no drilling on this block in 1982, but prospects are good for additional drilling in later years. Westmin's retained interest in this block is 7.4%.

Canada Lands Exploration

Since the Company has extensive holdings in several of Canada's frontier areas, the recent changes in federal government treatment of Canada Lands are of considerable concern to Westmin. Specific points of concern are the back-in rights of Petro-Canada and indicated mandatory delineation drilling of ministerially defined "discoveries". These changes and others have resulted in a vastly altered economic climate which essentially forces an extensive drilling commitment with little thought to production revenues.

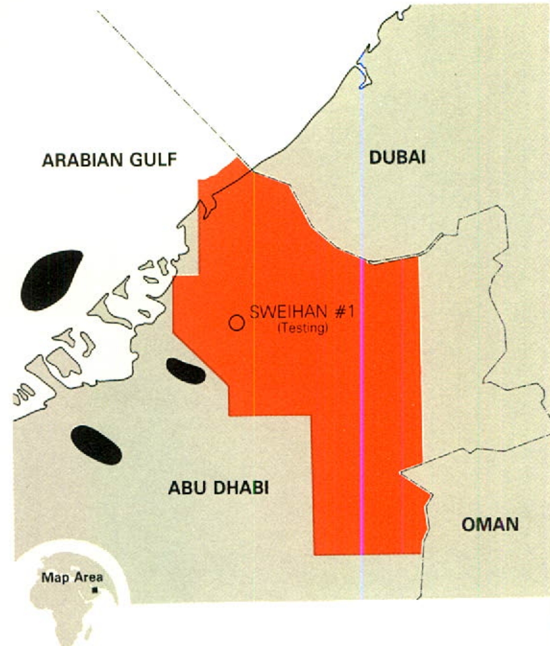
Like many other Canadian companies, Westmin is in a critical period of growth which necessitates investment only in those ventures which can generate revenue in the near term. As Beaufort offshore wells have recently cost in the $100 million range, drilling here involves a considerable company investment to make up the difference between well cost expenditures and federal exploration rebates. In addition, these company funds generate no revenue until production starts. With estimates of production start dates ranging from 1986 to 1990, present value calculations indicate only high production rates and high producer netbacks can support frontier drilling.



Abu Dhabi

The Company's interest in a two-million acre concession in Abu Dhabi was acquired in 1980. The exploratory group, in which Westmin holds a 13% interest, began an extensive seismic program in January 1981 which is expected to carry on to completion in July of 1982. A number of subsurface leads have already been defined by this survey. Further detailed seismic work led to the spudding of the Sweihan well in October 1981 which is currently drilling toward an objective total depth of about 14,442 feet and is currently being tested. This well is located on a seismic structure approximately 20 miles from the Yarn Japhour oilfield discovery by the Abu Dhabi Petroleum Company. This field is undergoing active development drilling. Westmin anticipates that completion of the seismic program should result in the discovery of additional prospects and we expect further drilling later in 1982.

Abu Dhabi



Land Holdings

(as of December 31, 1981)

		Leases and Mineral Title		Licences, Permits, Reservations and Concessions		Total	
		Gross	Net	Gross	Net	Gross (1)	Net
Alberta:	Acres	2,100,016	819,003	251,435	65,180	2,351,451	884,183
	Hectares	840 007	327 601	100 574	26 072	940 581	353 673
British Columbia:	Acres	557,005	55,254	—	—	557,005	55,254
	Hectares	222 802	22 101	—	—	222 802	22 101
Saskatchewan:	Acres	29,391	9,862	5,911	1,478	35,302	11,340
	Hectares	11 757	3 945	2 364	591	14 121	4 536
Yukon Territory (Eagle Plains):	Acres	228,004	204,624	—	—	228,004	204,624
	Hectares	91 202	81 850	—	—	91 202	81 850
Arctic Islands and Offshore (2):	Acres	—	—	306,279	—	306,279	—
	Hectares	—	—	122 512	—	122 512	—
Beaufort Sea:	Acres	35,273	4,233	1,871,242	179,091	1,906,515	183,324
	Hectares	14 109	1 693	748 497	71 636	762 606	73 329
Labrador Offshore:	Acres	—	—	753,403	82,084	753,403	82,084
	Hectares	—	—	301 361	32 834	301 361	32 834
United States:	Acres	306,276	86,234	—	—	306,276	86,234
	Hectares	122 510	34 494	—	—	122 510	34 494
Abu Dhabi:	Acres	—	—	1,944,756	252,818	1,944,756	252,818
	Hectares	—	—	777 902	101 127	777 902	101 127
TOTAL:	Acres	3,255,965	1,179,210	5,133,026	580,651	8,388,991	1,759,861
	Hectares	1 302 387	471 684	2 053 210	232 260	3 355 597	703 944

(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 (938 564 gross hectares) or 1,738,535 net acres (695 414 net hectares).

NOTE: All Federal Lands in which Westmin has an interest will in 1982 become subject to Bill C-48, a new Act to regulate oil and gas interests in Federal Lands. This could materially affect the interest of the Company in these lands.

Mining Division

Operations

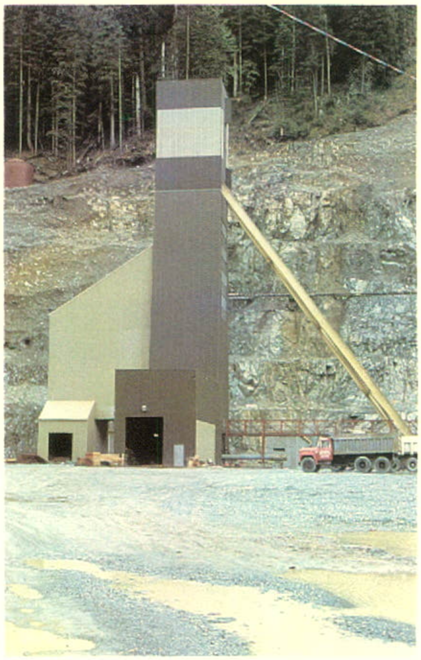
Ore Reserves

Continuing surface and underground diamond drilling on the new H-W orebody increased drill-indicated and possible reserves by 61% during 1981. As the mineralized area has not yet been blocked out by underground development, these reserves cannot be classified as proven. However, there is great potential to further expand reserves, since the orebody is still open in three directions.

H-W reserves at the end of 1981, as estimated by an independent consultant, stood at:

		Grade				
		Gold	Silver	Copper	Lead	Zinc
Classification	Tons	oz/ton	oz/ton	% Cu	% Pb	% Zn
Drill Indicated	7,230,700	0.07	1.1	2.0	0.4	5.3
Possible	5,712,600	0.07	0.9	2.4	0.3	4.8
Total	12,943,300	0.07	1.0	2.2	0.4	5.1

This reserve is based on a $30 per ton net smelter return cut-off.



The new H-W headframe over the shaft which is down to 1,370 feet. Lateral work, more diamond drilling and bulk sampling will precede sinking to 2,500 ft. target depth.

There was a net decrease of 34,200 tons in proven reserves at the Lynx and Myra mines with 237,100 tons added, while 271,334 tons were mined. An update of the Price reserves will be made after completion of further underground exploration scheduled for the first half of this year. Upon completion of this program, it will be possible to prepare a mining plan for this zone.

	Proven Reserves	Grade				
		Gold	Silver	Copper	Lead	Zinc
	(tons)	oz/ton	oz/ton	% Cu	% Pb	% Zn
Lynx Mine	752,900	0.06	2.2	1.1	0.9	8.2
Myra Mine	201,900	0.08	5.7	0.7	1.3	5.9
Price Mine	102,800	0.03	1.2	1.1	1.0	9.4
Total	1,057,600	0.06	2.8	1.0	1.0	7.9

By comparison, total proven ore reserves as of January 1, 1981 were:

	1,091,800	0.07	3.3	1.1	1.0	7.7

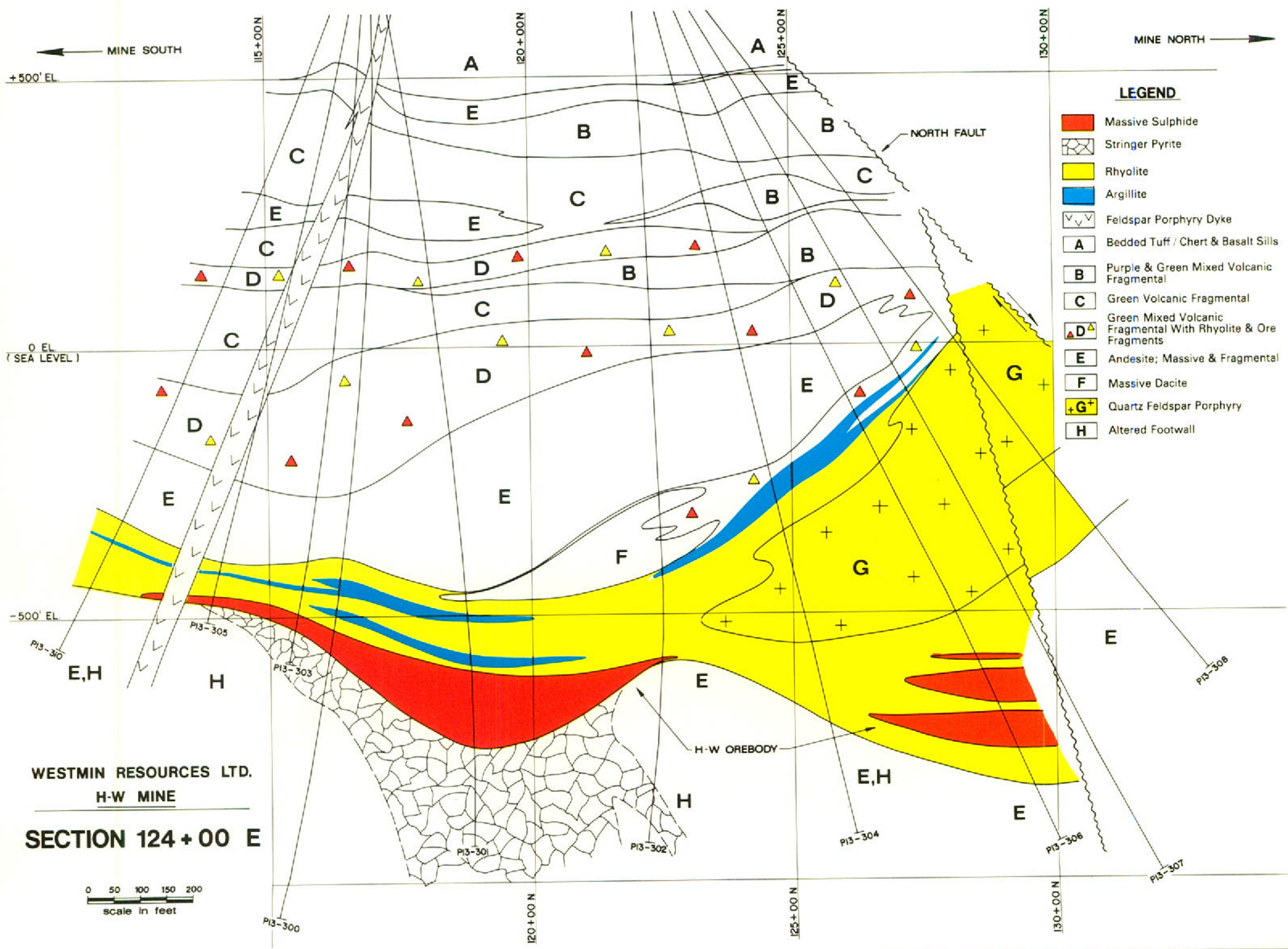
Truck dumping ore from Myra mine into storage and crushing area to begin the milling process.

H-W Project

During 1981 Westmin assembled the H-W Project group to plan and supervise the shaft development program; prepare initial engineering designs and studies and carry out environmental programs in the Myra Falls area.

British Columbia Metal Mines Guideline Regulations require two main reports prior to the issuing of permits for new mines or major expansions to existing operations. The Stage I Report required by these regulations was submitted to government at year-end and the Stage II Report, which leads to approval in principle of the expansion, is scheduled for completion by mid-year. As a result of this schedule, it is hoped that major construction can be commenced late in 1982 or early 1983.

Shaft and ancillary development progressed satisfactorily during the past year. It was decided to suspend shaft sinking at 1,370 feet to facilitate the early development of a level at that elevation. The objective of this lateral development program is to permit detailed drilling of the orebody and to carry out rock mechanics studies, both of which are required for mine planning purposes. Bulk samples of the various ore types will also be obtained for pilot mill evaluation, which is required to permit concentrator design programs to be completed. It is expected that this project and the completion of the shaft to the 2,500 ft. target depth, will be accomplished by year-end.



H-W Project development completed during 1981 included:

Shaft Advance (ft.)	1,370
Station Excavation (cu. ft.)	34,010
Lateral Development (ft.)	406

When fully operational in 1984, the H-W together with the Lynx, Price and Myra mines, will support a mill rate of 3,000 tons per day, three times current capacity.

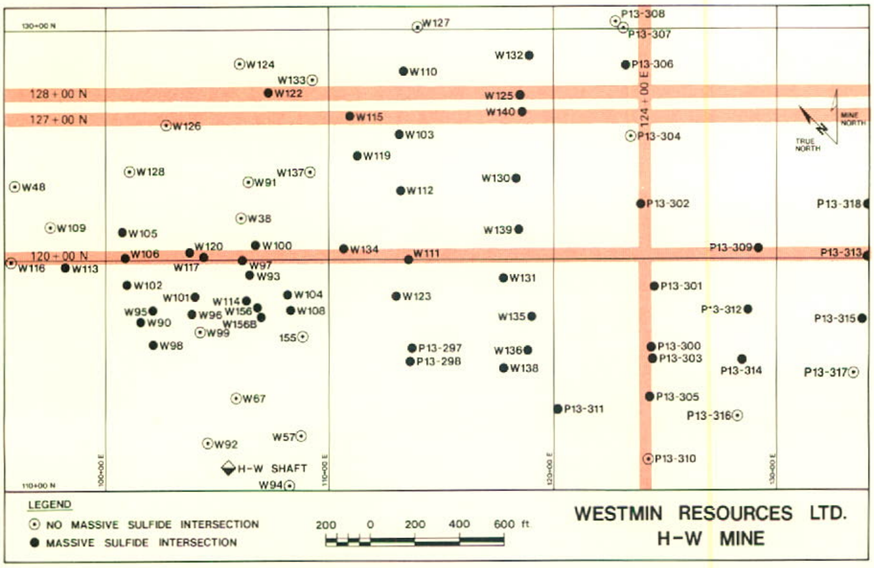
ENVIRONMENT

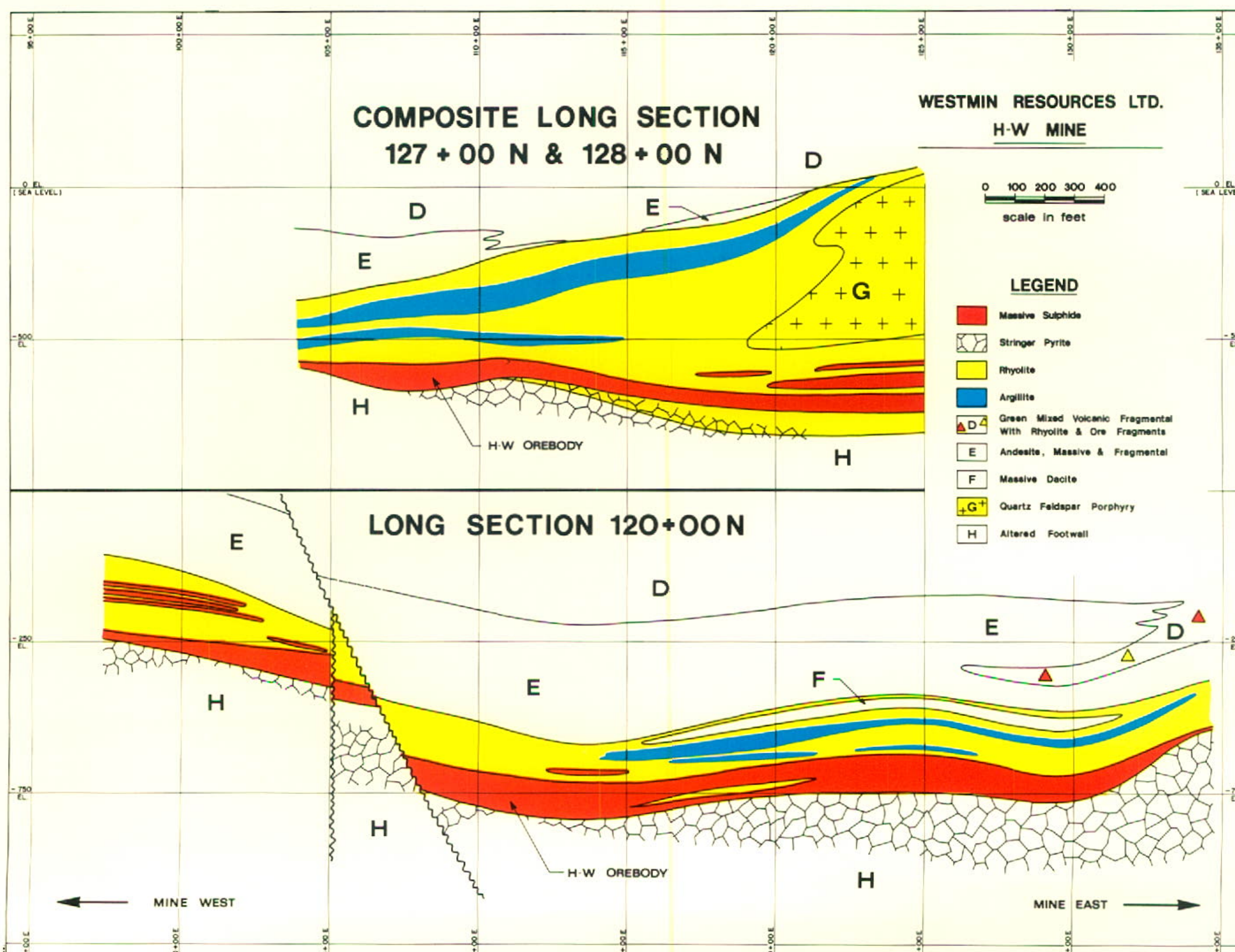
A study group was set up by Westmin in the second quarter of 1981 consisting of a Company representative, independent experts and provincial and federal government officials to investigate the environmental aspects of drainages associated with the mining operations.

Phase I of the study has already isolated an area of Myra Creek as being a possible source of the dissolved metals discovered in Buttle Lake. The second phase of this study is currently verifying this initial information and investigating methods of controlling the problem.

Westmin has already completed a perimeter ditch around its property to control the flow of run-off water. Substantial improvements have been made to the Lynx settlement pond system and effluent treatment methods ensuring that the system meets the new stringent permit conditions.

Concurrent with this work, Westmin has been investigating alternate methods of tailings disposal and initial test-work has included rudimentary surface deposition to provide data for preliminary design.





Production

Ore production from the Lynx and Myra mines on Vancouver Island declined by 11.5% in 1981, primarily due to a three-week strike which disrupted normal operations for about a month.

The Lynx mine produced 66% of the ore mined, while Myra produced the remainder. Exploration and development of the Price orebody continued and a decision concerning production from this zone is expected during 1982.

The October strike also reduced mill throughput. Mill head grades and metal recoveries were slightly lower during 1981 in almost all categories.

Summary of Production Statistics

		1981	1980
Ore Production (tons)		271,334	306,712
Average daily ore production (tons)		926	965
Source of ore (%):	Lynx	66	70
	Myra	34	30
Head Grades	Gold (oz/ton)	0.08	0.08
	Silver (oz/ton)	3.71	3.62
	Copper (% Cu)	1.13	1.22
	Lead (% Pb)	1.22	1.23
	Zinc (% Zn)	7.35	7.58
Mill Recovery (%)	Copper	79.8	81.4
	Lead	77.6	80.9
	Zinc	83.0	82.5
Concentrate Production (tons)			
	Copper	8,949	11,238
	Lead	6,013	7,266
	Zinc	31,018	35,790

Development

Development programs continued throughout 1981 on the Lynx, Myra and Price mines but here again, advances and drilling were adversely affected by the October work stoppage.

	1981	1980
Horizontal advance (ft)	10,706	11,955*
Vertical advance (ft)	4,361	4,087*
Surface Diamond Drilling (ft)	32,610	93,923
Underground Diamond Drilling (ft)	95,211	93,470*

* This change was made to include Price advance in the 1980 data.

Payable Metals (000's)

	1981	1980
Gold (oz)	17	19
Silver (oz)	783	786
Copper (lb)	4,824	5,941
Lead (lb)	4,305	5,125
Zinc (lb)	29,212	33,656
Cadmium (lb)	30	64

MARKETING

The Company continued to market its concentrates to customers in North America and Japan and it is expected that this arrangement will remain in effect through 1982.

During the year, prices for both base metals and precious metals continued to deteriorate. The outlook for 1982 is not encouraging, but as metal stocks are not excessive, prices could increase substantially with an increase in demand. It is therefore possible for some improvement to occur during the second half of the year.

The Company continued its policy of selling forward part of its production and this policy was instrumental in mitigating the effect of falling prices during 1981.

Underground rehabilitation on portion of the promising Big Missouri property where Westmin has encountered encouraging gold/silver potential.

Exploration

The Mining Division continued its aggressive metals exploration program during 1981 with active programs on 25 properties, most of which involve joint venture participation. Total exploration expenditures on these properties by all parties totalled \$7.58 million, of which Westmin contributed \$6.12 million. This includes expenditures related to extending the H-W orebody.

BASE METALS

Minesite

In addition to the continued surface and underground exploration of the H-W Deposit, the testing of other targets on the mine property resulted in two drill hole intersections containing Lynx-type ore of mineable width and grade in a new area which is accessible from either the Lynx Mine or the new H-W shaft. Follow-up work will be required.

Great Slave Reef, Northwest Territories

Joint exploration by Westmin (40%), Du Pont of Canada Exploration Limited (50%), and Philipp Brothers (Canada) Ltd. (10%) resulted in expansion of some known mineralized zones and in the indication of several additional mineralized areas which will require further testing. Seven separate mineral zones have been discovered which contain an aggregate geological reserve of 8,000,000 tons grading 10% combined lead and zinc. Some of these zones have not been fully delineated and will require additional drilling.

Bertrand, Quebec

The Bertrand property is located near Les Mines Selbaie, a copper-zinc-silver-gold mine in Northwestern Quebec. Encouraging mineralization was encountered in one drill hole and additional drilling is planned in 1982.

PRECIOUS METALS

Big Missouri, British Columbia

The Big Missouri property, under option from Tournigan Mining Explorations Ltd. contains numerous gold-silver showings. Westmin has largely concentrated on those showings with open-pit potential. Three potential open-pit zones, all of which require additional definition drilling, have been identified. Other zones will be evaluated in 1982.

Silbak Premier Mine, British Columbia

Westmin has signed a letter of intent with British Silbak Premier Mine Limited which will permit Westmin to earn 50%-80% interest and management of the gold-silver-base metal property through the purchase of British Silbak Premier shares and the completion of work commitments.

The Silbak Premier mine is about three miles from the Big Missouri property. Preliminary evaluations have identified several easily accessible gold-silver areas which require detailed exploration.

Detour, Ontario/Turgeon, Quebec

In 1980, Westmin staked over 900 claims in several groups to cover favourable geological environments in the area of the Detour Lake gold mine currently under development by Campbell Red Lake Mines Limited, Dome Mines Limited and Amoco Canada Petroleum Co. Ltd. Geological studies, combined with overburden drilling and sampling, have identified several areas of interest on the Westmin claim blocks. Additional drilling of these areas began in early 1982.

URANIUM

Dubawnt, Northwest Territories

The Dubawnt Project, a joint venture between Westmin (70%) and Central Electricity Generating Board Exploration (Canada) Limited (30%) controls approximately 500,000 acres, via exploration permits and mineral claims, in an area northwest of Baker Lake. The properties straddle a belt of uranium-bearing rocks. Work carried out during 1980-81 resulted in the discovery and partial delineation of several uranium-bearing boulder trains. Source areas of the boulders have tentatively been identified and exploration in 1982 is designed to identify target areas for diamond drilling in 1983.

Coal and Industrial Minerals

Revenues from Westmin's extensive coal properties continue to grow and will accelerate in the near future. During 1981, coal royalty revenues topped $1,000,000, up from $850,000 the year before.

Currently, negotiations are under way with TransAlta Utilities covering a lease of 120 million tonnes of near-surface coal within the proposed Highvale mine which will feed the existing Edmonton-area Wabamun and Sundance generating stations and the Keephills plant now under construction. The proposed new agreement would yield royalty revenues escalating from a base in excess of $2 million annually.

All of this current and planned production is related to coal rights beneath some 507,000 acres of mineral title lands owned by Westmin in Central Alberta. Including Crown leases in the three western provinces, drilling to date has defined 363 000 000 tonnes of coal recoverable by current mining methods.

In addition, during 1981, Westmin acquired priority rights from the Crown on approximately 85 000 hectares overlying an estimated four billion tonnes of in-place thermal coal, some 70 miles west of Edmonton. The coal, which outcrops at Lake Wabamun, comprises five seams totalling 3-12 metres in thickness at depths of 300 - 500 metres. A drilling program is planned for this year to evaluate underground mining feasibility. As well as being on rail, these lands have the advantage of lying astride a potential methanol-coal slurry pipeline route that is currently under feasibility study by the Alberta government.

In British Columbia, Westmin has been granted priority coal licence rights, adjacent to the city of Nanaimo on Vancouver Island, providing the most practical access to a large undersea reserve area.

Westmin retains its 12½% interest in the Sukunka project in northeastern B.C.

During the year, Westmin appraised selected opportunities to participate in coal development with coal producers in the western States. Appraisals of U.S. opportunities are continuing.

Industrial Minerals

Royalty revenues paid to Westmin for sodium sulphate production by the operator approximated $220,000 during 1981. Production is expected to increase in 1982, with the sulphate selling price rising because of growing use of the product in detergent manufacturing.

Lacana Mining Corporation

Westmin remains the largest single shareholder in Lacana Mining Corporation, holding 2,492,909 of the latter's common shares or approximately 24% of those outstanding.

This is an increase of 345,100 shares from the 23% interest held at the previous year-end.

Lacana has substantial minority interests in two Mexican precious metal mining complexes and carries on active exploration in Latin America, Canada and the United States. In addition, Lacana has a 26% interest in the Pinson gold property in Humboldt County, Nevada, which was brought on stream during 1981 at a rated capacity of 45,000 ounces of gold per year.

In 1981, Lacana's share of production from mines in which it has interests amounted to approximately 2,000,000 ounces of silver, 25,000 ounces of gold and 10,000,000 pounds of lead. Oil and gas production was modest but is expected to increase materially in 1982.

Although audited figures are not available as yet, earnings are estimated to be approximately $1 per share in 1981 compared to $1.31 in 1980. Decreased earnings were due largely to a drop in the average price received from the sale of gold and silver. Lacana is in a sound financial position, being essentially debt free and having a working capital, mainly cash, of about $14 million after paying a 10¢ per share dividend on June 1, 1981.

Lacana spent about $2 million on mineral exploration last year and at present has interests in two new precious metal deposits which are in an advanced stage of development. Approximately $5 million was spent on petroleum exploration, which resulted in oil and natural gas discoveries in Alberta and Nebraska and which helped define targets for drilling in 1982.

Financial Review

In March of 1981 the Company was continued under the Canada Business Corporations Act. At the same time the outstanding common shares were subdivided on a two-for-one basis and the share capital of the Company was restructured. (Refer to note 1 to financial statements.) The accompanying financial statements reflect these changes.

Our financial and operations summaries have been extended to six years from five in the process of building towards a 10-year comparison. The year 1976 is a logical base, since it is the first full year following the initial Western Mines-Brascan Resources association.

Earnings

The Company's net earnings for the year ended December 31, 1981 were $32.9 million, an increase of 3% from $31.9 million in 1980. The net decrease in earnings per share, from 71¢ in 1980 to 58¢ in 1981 resulted from the impact of dividends payable on the Company's new Class B preferred shares from date of issue May 5, 1981.

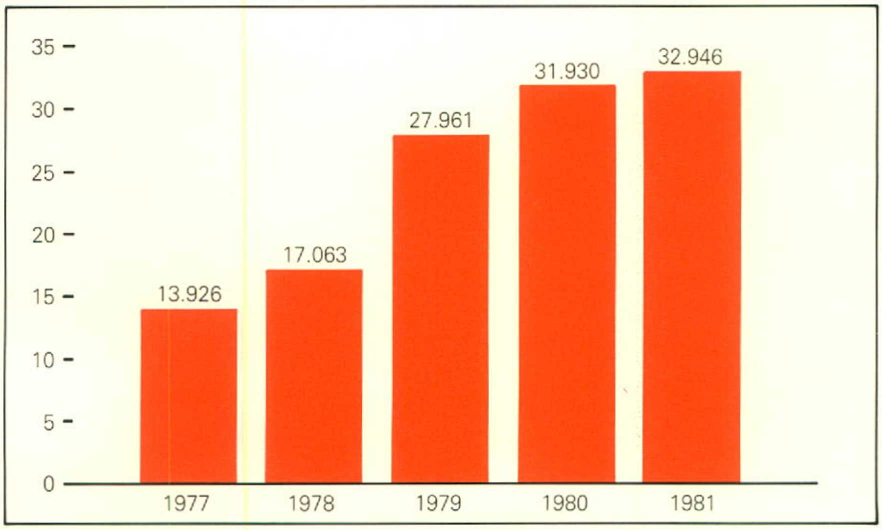
Revenues

Revenues for 1981 were $106.1 million, an increase of 12% from 1980 revenues of $94.7 million, primarily as a result of increased prices and production levels in the petroleum division.

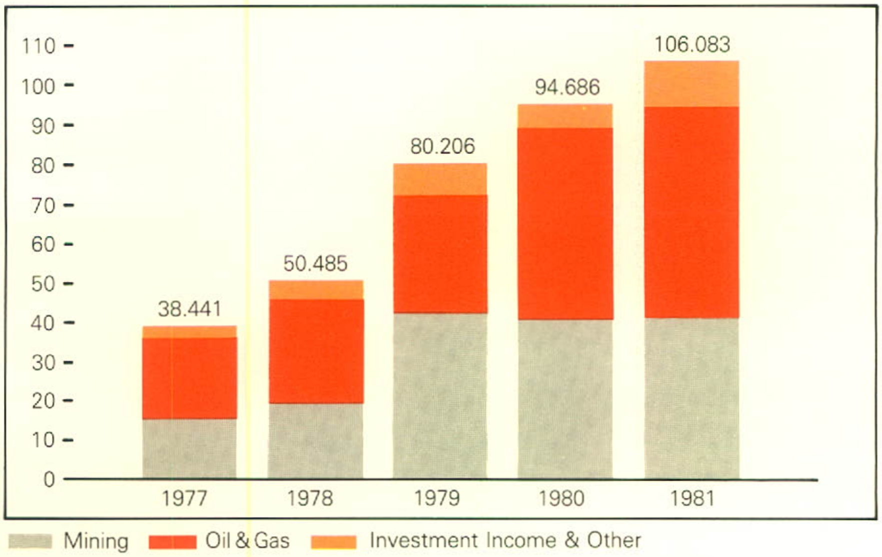
Natural gas sales increased by 6% to $39.9 million from $37.8 million in 1980. Production volumes remained relatively constant at 434.5 million cubic metres or an average of 1,190 thousand cubic metres (42 MMcf) per day. The average wellhead price received was $91.92 per thousand cubic metres ($2.59 per Mcf).

Oil and natural gas liquid sales increased significantly to $13.9 million in 1981 from $10.7 million in 1980.

Net Earnings
(millions of dollars)



Revenues
(millions of dollars)



For the year 1981, daily production volumes (including royalty income) averaged approximately 335 cubic metres (2,100 barrels). Average wellhead price for the year was $113.79 per cubic metre ($18.09 per barrel).

Net smelter return for the mining division was equivalent to 1980 at $41 million. Production was down 11% from 1980 at 271,334 tons as a result of the three-week strike in October. In addition metal prices, with the exception of zinc, were down significantly. Pricing mechanisms achieved through forward sales contracts largely offset these negative factors.

Investment income is up significantly due primarily to investment on a short-term basis of the proceeds from the Class B preferred share issue.

Costs and Expenses

Royalty expense increased to $10.8 million in 1981 from $9.1 million in 1980, which is consistent with the increase in working interest sales of oil and natural gas. The average effective royalty rate remained a very low 22.7% since a considerable portion of the sales originate from the Company's royalty-free mineral title lands.

Once again inflation has had a significant impact on all cost categories. Oil and gas production expenses increased by 38% to $8.2 million from $5.9 million in 1980. Increases are related primarily to oil production volumes, which are up significantly, and which are more costly to produce than gas.

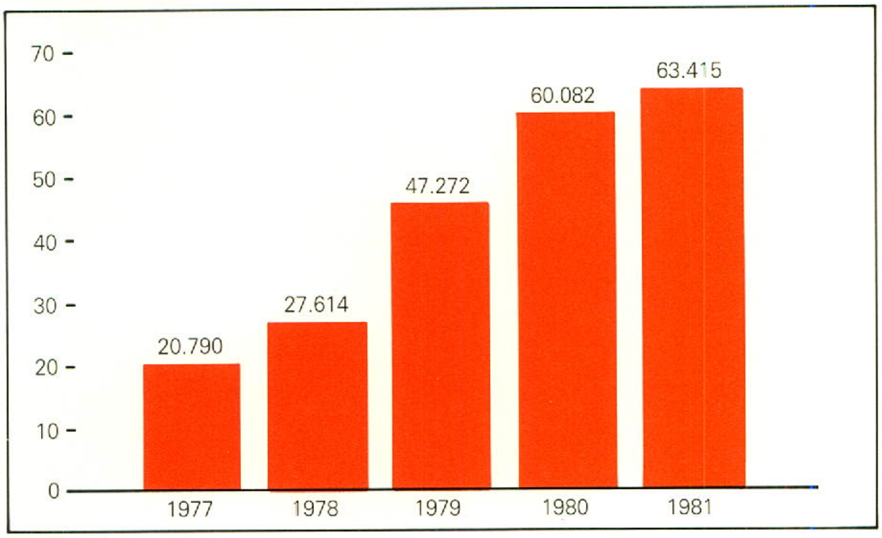
Operating costs for the mining division were up 9% to $15.9 million in 1981 from $14.6 million in 1980. The normal inflationary increase was offset to some degree by the lower production volumes as a result of the strike. The operating cost per ton milled was up 23.7% at $58.79 per ton from $47.51 per ton in 1980.

The Company is actively exploring several encouraging mineral prospects, and mineral exploration costs were $5.2 million in 1981, an increase of 30% from $4 million in 1980. All costs associated with the H-W deposit at the minesite are capitalized, which is consistent with our policy of expensing costs until such time as an economic orebody is defined.

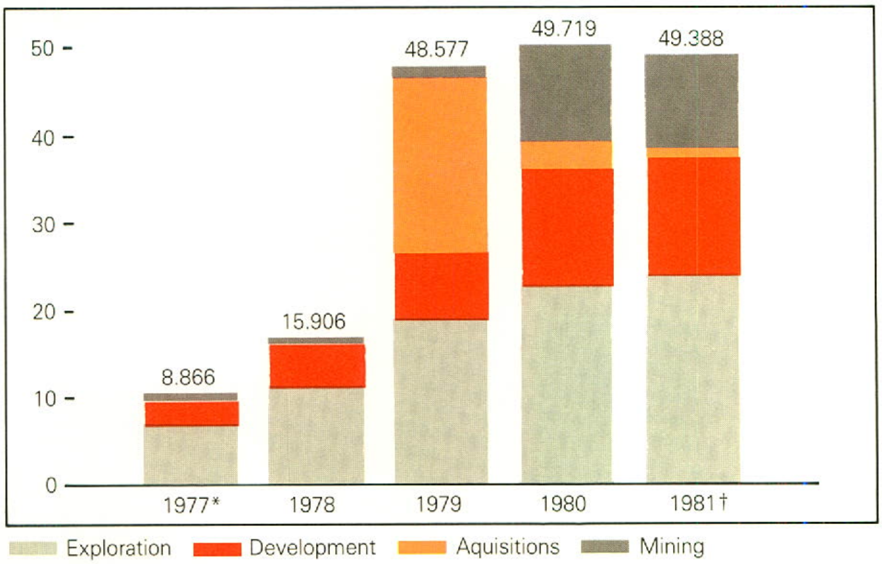
General and administrative costs were up slightly at $3.4 million from $3.3 million in 1980. In 1980 non-repetitive costs in excess of $0.6 million were incurred. In 1981 we experienced normal growth and inflationary increases.

Depletion and depreciation charges totalled $8.7 million in 1981, up from $7.9 million in 1980 due to increased production and to the constantly increasing cost of finding and acquiring oil and gas reserves. The rate charged to earnings per equivalent cubic metre of oil and gas production was $14.90 in 1981 ($2.37 per equivalent barrel) compared to $13.89 per cubic metre ($2.21 per equivalent barrel) in 1980.

Funds from Operations
(millions of dollars)



Capital Expenditures
(millions of dollars)



* Before proceeds from farmout of $1.4 million
† Net of anticipated PIP grants of $9.4 million

Interest expense in 1981 relates to the bank loan of $22 million which was retired out of the proceeds from the Class B preferred share issue in May.

The Petroleum and Gas Revenue Tax of $3.5 million in 1981 is the new tax imposed by the National Energy Program which became effective January 1, 1981.

Income and mining taxes decreased to $16.8 million for 1981 compared to $17.4 million in 1980. (Refer to note 9 to financial statements.) There is a substantial reduction in mining taxes from $2.9 million in 1980 to $0.8 million in 1981. Income taxes increased from $14.5 million to $16.1 million as a result of the increased pre-tax earnings and the increase in the B.C. provincial tax rate from 15% to 16%.

Current taxes payable include the Petroleum and Gas Revenue tax of $3.5 million, provincial mining taxes of $0.8 million, less the Alberta royalty tax credits receivable of $1.3 million. As was the case in 1980, the 1981 federal and provincial income taxes have 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 $63.4 million in 1981, an increase of 6% from $60.1 million in 1980. Increased cash flow from oil and gas sales and a substantial increase in investment income are responsible for this improvement.

On May 5, 1981 Westmin issued 4,000,000 Class B preferred shares at an issue price of $25 per share. The net proceeds, after issue costs and expenses, were $95,924,000.

During 1981 the Company acquired an additional 345,100 shares of Lacana Mining Corporation at a cost of $2.6 million. These purchases increased Westmin's interest in Lacana to 24% of the outstanding common shares.

Capital expenditures were $49.4 million for 1981 as compared to $49.7 million in 1980. The mining division spent $10.2 million including costs associated with the new shaft at the H-W deposit. Exploration and development programs in the petroleum division were a net $38.3 million.

The Petroleum Incentives Progam (PIP) was introduced by the Federal Government as part of the National Energy Program in October of 1980. While the legislation has not as yet been enacted the program provides for cash grants to be made to qualified applicants in respect of qualified expenditures made in the course of exploring for and developing oil and gas reserves in Canada. These grants are accounted for as a reduction of the costs of the projects on which the grants were earned. Gross costs in the Petroleum Division of $47.7 million are offset by $9.4 million of estimated PIP grants receivable.

Working capital, which includes $63.3 million of cash and short-term investments, was $83 million at the end of 1981, an increase of $63.6 million from year-end 1980. The increase results largely from the proceeds of the Class B preferred share issue.

Management's Responsibility

This Annual Report to the shareholders of Westmin Resources Limited, including the financial statements on pages 22 to 30, 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 26) which we believe to be appropriate for the operations of the Company.

Coopers & Lybrand, 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 23.

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.

Westmin Resources Limited

Consolidated Balance Sheet

as at December 31, 1981

Assets

	1981 $	1980 $
	(in thousands)	
CURRENT ASSETS		
Cash and short-term investments	**63,343**	13,367
Accounts and settlements receivable (note 2)	**30,824**	16,850
Inventories (note 3)	**11,508**	11,816
	105,675	42,033
INVESTMENTS (note 4)	**35,442**	31,575
PROPERTY, PLANT AND EQUIPMENT (note 5)		
Oil and gas	**212,028**	173,684
Mining	**37,047**	26,877
Coal and industrial minerals	**5,660**	5,660
Other	**2,063**	1,504
	256,798	207,725
Accumulated depletion and depreciation	**44,889**	36,484
	211,909	171,241
	353,026	244,849

APPROVED BY THE DIRECTORS

Director

Director

WESTMIN

Liabilities

	1981 $	1980 $
	(in thousands)	
CURRENT LIABILITIES		
Bank indebtedness	**2,704**	1,987
Accounts payable and accrued liabilities	**17,983**	17,000
Income and mining taxes payable	**1,988**	3,645
	22,675	22,632
BANK LOAN (note 6)		22,000
DEFERRED INCOME AND MINING TAXES	**43,069**	26,928
	65,744	71,560

Shareholders' Equity

SHARE CAPITAL (notes 1 and 7)	**236,908**	136,900
RETAINED EARNINGS	**50,374**	36,389
	287,282	173,289
	353,026	244,849

Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Westmin Resources Limited as at December 31, 1981 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, 1981 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.

Coopers & Lybrand

Vancouver, B.C.
February 1, 1982

Chartered Accountants

Consolidated Statement of Earnings

For the Year Ended December 31, 1981

	1981 $	1980 $
	(in thousands)	
REVENUE		
Oil and gas	**53,845**	48,555
Mining	**40,991**	40,981
Investment Income	**8,690**	3,633
Other	**2,557**	1,517
	106,083	94,686
EXPENSES		
Royalty expense	**10,823**	9,113
Cost of production —		
Oil and gas	**8,204**	5,958
Mining	**15,953**	14,571
Mineral exploration	**5,199**	4,007
General and administrative	**3,375**	3,259
Depletion and depreciation	**8,670**	7,924
Interest	**1,443**	1,162
Currency translation adjustments	**187**	(288)
	53,854	45,706
EARNINGS FROM OPERATIONS	**52,229**	48,980
PETROLEUM AND GAS REVENUE TAX	**3,500**	
INCOME AND MINING TAXES (note 9)	**16,818**	17,400
	20,318	17,400
EARNINGS BEFORE THE FOLLOWING	**31,911**	31,580
Equity in earnings of Lacana Mining Corporation (note 4)	**1,035**	350
NET EARNINGS FOR THE YEAR	**32,946**	31,930
EARNINGS PER COMMON SHARE (note 10)	**.58**	.71

Consolidated Statement of Changes in Financial Position

For the Year Ended December 31, 1981

	1981 $	1980 $
	(in thousands)	
WORKING CAPITAL WAS PROVIDED FROM:		
Operations before mineral exploration	**63,415**	60,082
Mineral exploration expense	**5,199**	4,007
Net from operations	**58,216**	56,075
Reduction of long-term receivable	**250**	500
Bank loan		22,000
Advance from parent company		500
Issuance of share capital	**100,008**	5,564
Other	**313**	79
	158,787	84,718
WORKING CAPITAL WAS USED FOR:		
Investments	**2,801**	23,784
Property, plant and equipment	**49,388**	49,719
Repayment of bank loan	**22,000**	
Reduction in parent company advance		5,500
Dividends	**16,923**	28,554
Share issue costs	**4,076**	
	95,188	107,557
INCREASE (DECREASE) IN WORKING CAPITAL	**63,599**	(22,839)
WORKING CAPITAL AT BEGINNING OF YEAR	**19,401**	42,240
WORKING CAPITAL AT END OF YEAR	**83,000**	19,401
WORKING CAPITAL IS REPRESENTED BY:		
Current assets	**105,675**	42,033
Current liabilities	**22,675**	22,632
	83,000	19,401

Consolidated Statement of Retained Earnings

For the Year Ended December 31, 1981

	1981 $	1980 $
	(in thousands)	
BALANCE AT BEGINNING OF YEAR	**36,389**	33,013
Net earnings for the year	**32,946**	31,930
	69,335	64,943
Issue costs of Class B Preferred Shares — net of applicable income tax of $2,038,000	**2,038**	
Dividends (note 8)	**16,923**	28,554
	18,961	28,554
BALANCE AT END OF YEAR	**50,374**	36,389

Summary of Accounting Policies

These consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada, consistently applied, and, except for valuing concentrate inventories at net realizable values, conform in all other material respects to International Accounting Standards.

Basis of Consolidation
The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Westmin Resources Inc. which is an amalgamation of the Company's previous operating subsidiaries.

Investments
The Company's investment in Lacana Mining Corporation (24% 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 applicable 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.

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 and then amortized on the unit-of-production method over estimated proven reserves.

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 the Petroleum Incentives Program are credited against costs. Costs attributable to centres which were unsuccessful and are abandoned are written off.

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

Mining
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 over the estimated life of the ore reserves.

Mine plant and equipment costs 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 over the estimated reserves.

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 contract, 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.

Income and Mining Tax
The Company follows the tax allocation method of accounting for corporate income and mining 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. Deferred taxes relating to current assets are included with income and mining taxes payable.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 1981

1. SIGNIFICANT EVENTS

On March 26, 1981, the Company, formerly known as Western Mines Limited, was continued under the Canada Business Corporations Act under the name Westmin Resources Limited — Ressources Westmin Limitée. At the same time the outstanding common shares were subdivided on a two-for-one basis, the outstanding Class A Preferred Shares were reclassified as the first of a series of a new class of an unlimited number of Class A Preferred Shares, issuable in series, and the authorized capital was increased to include an unlimited number of Class B Preferred Shares and common shares.

2. ACCOUNTS AND SETTLEMENTS RECEIVABLE

	1981 $	1980 $
	(in thousands)	
Oil and gas operations	27,157	12,338
Concentrate settlements	1,702	1,164
Other accounts receivable	1,965	3,348
	30,824	16,850

3. INVENTORIES

	1981 $	1980 $
	(in thousands)	
Concentrates	5,636	6,433
Materials and supplies	5,872	5,383
	11,508	11,816

4. INVESTMENTS

	1981 $	1980 $
	(in thousands)	
Lacana Mining Corporation, at equity, (quoted value, December 31, 1981 — $15,830,000)	27,424	23,976
Long-term receivable	6,725	6,439
Other, at cost or written down value	1,293	1,160
	35,442	31,575

Lacana Mining Corporation

During 1981, the Company acquired an additional 345,100 common shares of Lacana Mining Corporation for a total consideration of $2,642,000. The cost of this additional investment exceeds the Company's share of the book value of the net assets acquired by $1,151,000. The aggregate purchase discrepancy of $16,914,000 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 $846,000 (1980 — $197,000).

At December 31, 1981 the Company held a total of 2,492,909 common shares, 24% of Lacana's outstanding common shares. Share purchase options outstanding in Lacana to employees and others, if exercised, could dilute the Company's present interest to 22%.

The Company holds an option, exercisable at any time prior to October 25, 1983 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 31%.

Long-Term Receivable

This receivable, amounting to $16,750,000, 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 this agreement 50% of any instalment, in aggregate not exceeding $1,000,000, may be postponed up to July 1, 2005 subject to an 8% interest payment. Currently $250,000 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 $6,725,000 (1980 — $6,439,000) based on an assumed interest rate of 8%.

Other Investments

The amount includes housing and stock purchase plan loans of $214,000 to certain employees, some of whom are officers and directors of the Company.

5. PROPERTY, PLANT AND EQUIPMENT

	1981			1980
	Cost $	Accumulated depletion and depreciation $	Net $	Net $
	(in thousands)			
Oil and gas				
Properties				
North America	167,631	26,645	140,986	123,663
Arctic	11,770		11,770	8,822
Overseas	6,172		6,172	1,518
Plant and equipment	26,455	4,140	22,315	16,220
	212,028	30,785	181,243	150,223
Mining				
Properties and development	7,698	1,571	6,127	2,963
Plant and equipment	16,073	11,262	4,811	4,165
Construction in progress	13,276		13,276	7,819
	37,047	12,833	24,214	14,947
Coal and industrial minerals	5,660	500	5,160	5,334
Leasehold improvements and other equipment	2,063	771	1,292	737
	256,798	44,889	211,909	171,241

6. BANK LOAN

The bank loan was repaid during the year. The Company has arranged a long-term line of credit of $150,000,000 with Canadian chartered banks and has agreed to provide security in an acceptable form if requested by the banks in the event the loan is drawn down. Interest on long-term debt during 1981 amounted to $1,410,000 (1980 — $22,000).

7. SHARE CAPITAL

	1981 $	1980 $
	(in thousands)	
Authorized —		
Unlimited Class A Preferred Shares issuable in series		
Unlimited Class B Preferred Shares issuable in series		
Unlimited Common shares without par value		
Issued and fully paid —		
1,000,000 Class A Preferred Shares, Series 1	100,000	100,000
4,000,000 Class B Preferred Shares, Series 1	100,000	
33,693,768 Common shares	36,908	36,900
	236,908	136,900

Class A Preferred Shares, Series 1

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. Until December 31, 1981 the maximum annual dividend was not to exceed $8.00 per share.

(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. 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 1

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 31, 1988.

On May 5, 1981, the Company issued 4,000,000 $2.125 Class B Preferred Shares, Series 1 at a price of $25 per share.

7. SHARE CAPITAL (Continued)

Common Shares	No. of Shares	$ (in thousands)
As at December 31, 1980	16,838,284	36,900
After giving effect to the subdivision on a two-for-one basis	33,676,568	36,900
Issued for cash during 1981	21,200	70
	33,697,768	36,970
Redeemed for cash during 1981	4,000	62
As at December 31, 1981	33,693,768	36,908

During 1981, 21,200 shares were issued for cash amounting to $70,000 under the terms of the Company's employee stock option plan. Options of 986,140 shares were outstanding as at December 31, 1981, exercisable at varying dates to 1986 at prices ranging from $1.49 to $11.25 per share.

An aggregate of 5,495,386 shares acquired through a reorganization in June 1980 and in the open market have been cancelled as a result of the continuance of the Company and have been treated as a reduction of issued share capital.

8. DIVIDENDS

	1981 $	1980 $
	(in thousands)	
Class A Preferred	8,000	4,590
Class B Preferred	5,554	
Common	3,369	3,367
Paid by a subsidiary prior to the June 1980 reorganization		20,597
	16,923	28,554

9. INCOME AND MINING TAXES

The provision for income and mining taxes consists of:

	1981 $	1980 $
	(in thousands)	
Provincial mining taxes		
— current	813	3,017
— deferred	(49)	(150)
	764	2,867
Income taxes		
— current	64	138
— deferred	17,309	15,950
— Alberta royalty tax credit	(1,319)	(1,555)
	16,054	14,533
Total income and mining taxes	16,818	17,400

10. EARNINGS PER COMMON SHARE

Earnings per share have been calculated:

(i) as though the Class A preferred dividends had been payable from January 1, 1980

(ii) as though the subdivision of common shares on a two-for-one basis had taken place at January 1, 1980.

(iii) using the weighted monthly average of shares outstanding.

11. OTHER INFORMATION

Commitments

The Company has entered into a number of agreements relating to site preparation, sinking of a shaft and construction of buildings at the H-W Mine, Myra Falls, British Columbia. The aggregate cost of the project is estimated to be $34,000,000, of which $14,000,000 has been incurred to date.

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, 1981 is approximately $80,000 which is being funded and charged to earnings over a five-year period.

Related Party Transactions

In the normal course of business, the Company engages professional services of various engineering and geological consulting firms. During 1981, $552,000 was paid to a company in which a director holds a majority interest. Terms of these transactions are the same as with unrelated parties.

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.

Contingency

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. It is not possible at this time to determine the outcome of this action.

Government Assistance

Under the provisions of the Petroleum Incentives Program, the Company has accrued grants receivable of $9,400,000. This amount has been shown as a reduction to the appropriate property, plant and equipment accounts.

Consolidated Statement of Segmented Information

	1981				1980			
	Oil and Gas $	Mining $	Other and Unallocated $	Consolidated Total $	Oil and Gas $	Mining $	Other and Unallocated $	Consolidated Total $
				(in thousands)				
REVENUE								
Domestic	53,399	13,152		66,551	48,329	10,400		58,729
Other	446	27,839		28,285	226	30,581		30,807
	53,845	40,991		94,836	48,555	40,981		89,536
Investment income			8,690	8,690			3,633	3,633
Other	788		1,769	2,557	427		1,090	1,517
	54,633	40,991	10,459	106,083	48,982	40,981	4,723	94,686
EXPENSES								
Royalty expense	10,823			10,823	9,113			9,113
Cost of production	8,204	15,953		24,157	5,958	14,571		20,529
Mineral exploration			5,199	5,199			4,007	4,007
General and administrative			3,375	3,375			3,259	3,259
Depletion and depreciation	7,324	972	374	8,670	6,404	1,300	220	7,924
Interest			1,443	1,443			1,162	1,162
Currency translation adjustments			187	187			(288)	(288)
	26,351	16,925	10,578	53,854	21,475	15,871	8,360	45,706
Earnings from operations	28,282	24,066	(119)	52,229	27,507	25,110	(3,637)	48,980
Current assets	31,342	10,490	63,843	105,675	17,115	11,051	13,867	42,033
Investments	482	661	34,299	35,442	491	519	30,565	31,575
Property, plant and equipment	181,243	24,214	6,452	211,909	150,223	14,947	6,071	171,241
Total assets	213,067	35,365	104,594	353,026	167,829	26,517	50,503	244,849
Capital expenditures	38,344	10,248	796	49,388	38,709	10,782	228	49,719

Operations Summary

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

Six Year Financial Summary*

	1981	1980	1979	1978	1977	1976
	Years ended December 31					
	$	$	$	$	$	$
	(in thousands except per share amounts)					
REVENUE						
Oil and gas	53,845	48,555	29,148	26,689	21,610	13,038
Mining	40,991	40,981	42,814	19,604	14,960	15,656
Investment income	8,690	3,633	7,152	2,577	1,156	541
Other	2,557	1,517	1,092	1,615	715	801
	106,083	94,686	80,206	50,485	38,441	30,036
EXPENSES						
Royalty expense	10,823	9,113	5,064	4,315	3,624	2,514
Cost of production —						
Oil and gas	8,204	5,958	2,954	2,165	1,817	1,228
Mining	15,953	14,571	12,734	10,748	10,966	10,113
Mineral exploration	5,199	4,007	4,319	1,640	2,239	3,038
General and administrative	3,375	3,259	2,178	1,445	1,611	1,760
Depletion and depreciation	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
	53,854	45,706	33,013	24,701	24,796	23,798
EARNINGS FROM OPERATIONS	52,229	48,980	47,193	25,784	13,645	6,238
PETROLEUM AND GAS REVENUE TAX	3,500					
INCOME AND MINING TAXES						
Current	(442)	1,600	6,596	988	(413)	497
Deferred	17,260	15,800	13,471	8,421	4,335	1,757
	20,318	17,400	20,067	9,409	3,922	2,254
EARNINGS BEFORE THE FOLLOWING	31,911	31,580	27,126	16,375	9,723	3,984
Equity in earnings of Lacana Mining Corporation	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	32,946	31,930	27,961	17,063	13,926	(5,816)
EARNINGS (LOSS) PER COMMON SHARE	.58	.71	.60	.32	.24	(.37)
CASH FLOW (before mineral exploration expense)	63,415	60,082	47,272	27,614	20,790	13,065
CAPITAL EXPENDITURES						
Oil and gas						
Exploration	24,339	23,135	19,148	10,924	6,687	5,520
Development	14,005	12,888	7,842	4,724	2,955	3,681
Properties purchased (sold)		2,686	20,171		(1,410)	
Mining development	10,248	10,782	1,063	230	552	579
Other	796	228	353	28	82	63
Total capital expenditures	49,388	49,719	48,577	15,906	8,866	9,843
WORKING CAPITAL	83,000	19,401	42,240	44,545	30,191	20,104
LONG TERM DEBT		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.

Westmin COR Level

The recently introduced 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, while not yet law, are central features of the National Energy Program.

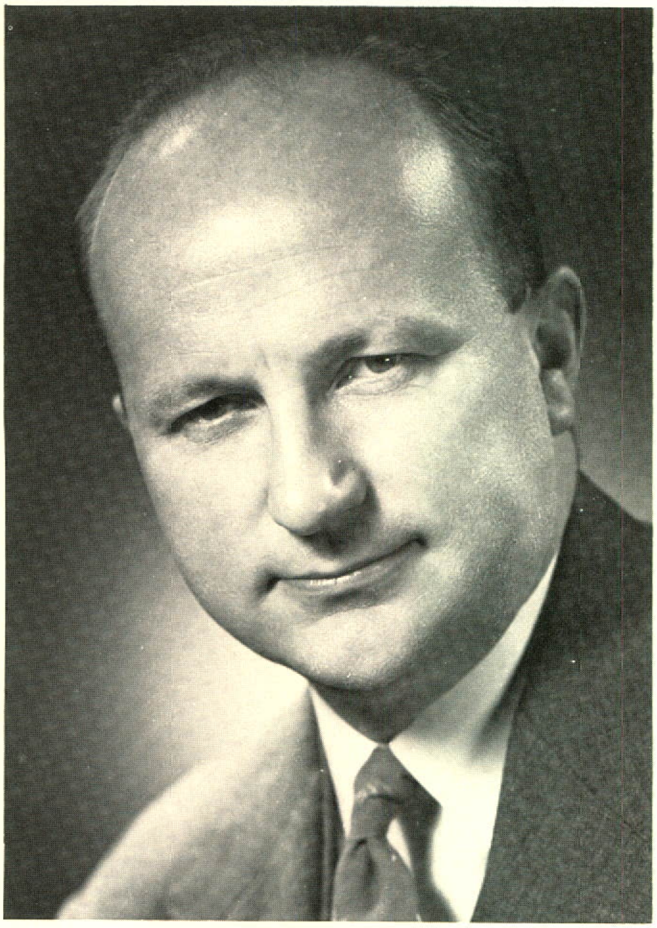
The PIP payments provide for reimbursement of certain exploration and development expenditures based on the nature of the expenses incurred, the location of the activity and the percentage of Canadian ownership.

Canadian control of Westmin has been firmly established without any difficulty, however the determination of Westmin's COR is an extremely complex calculation involving an analysis of the ownership and Canadian content of the Company's Common and Convertible Preferred Shares. Based on currently available information, Westmin believes it will have a Level 3 COR which is the second most favourable level.

Level 3 COR requires a minimum Canadian ownership level of 60%, escalating 1% per year to 65% in 1985 and provides the following incentive payments as a percentage of eligible expenditures:

	Provincial Lands	Canada Lands
Exploration	25%	65%
Development	15%	15%

Management intends to achieve the maximum COR level as quickly as possible in order to qualify for the highest incentive payments.



ROGER T. HAGER

It is with deep regret that we mark the passing, on January 2, 1982, of Roger Hager in his 71st year. Mr. Hager had been a director of Westmin Resources and its predecessor, Western Mines, since its founding in 1951.

After graduation from Stanford University in 1935, Mr. Hager went to work for The Canadian Fishing Company in Vancouver, where he rose through the ranks to become Chairman and Chief Executive Officer in 1966. He held these positions until his retirement in 1975.

His career with Canfisco was interrupted by service in the Royal Canadian Naval Volunteer Reserve, attaining the rank of Lieutenant Commander by the end of World War II.

Mr. Hager maintained interests in a broad range of Western Canadian enterprises, having served as a Director of Labatt Breweries of British Columbia, Domtar Inc., Crown Zellerbach Canada Limited and Kaiser Resources, among others. He has also been a Director and National President of the Boy's and Girl's Clubs of Canada.

Like his famous father, Alvah (Al) Hager, Roger was an ardent conservationist, especially in the area of Canadian fisheries. He was a Director and President of the Fisheries Council of Canada, the national industry association. He also served as a Canadian Commissioner of the International North Pacific Fisheries Commission from 1953 to 1963.

Roger Hager's guidance and links with our Company's beginnings will be sadly missed by his many friends at Westmin.

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

RICHARD H. OSTROSSER
Senior Vice-President

DONALD D. WEBSTER
Vice-President, Finance and Treasurer

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

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

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

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

JOHN B. KILLICK
Vice-President Corporate Development

RAYMOND O. HAMPTON
Secretary

H. WILLIAM VERVEDA
Assistant Treasurer and Corporate Controller

ROSS A. MITCHELL
Assistant Treasurer and Controller, Mining Division

DONALD A. REPKA
Assistant Secretary

Directors

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

A. WILLIAM FARMILO, Calgary†
Chairman of the Board

DR. WILLIAM H. GROSS, Toronto
Chairman and Chief Executive Officer, Lacana Mining Corporation

ROGER T. HAGER, Vancouver‡
Private Investor

PATRICK J. KEENAN, Toronto†*
Chairman and Chief Executive Keewhit Investments Limited

JOHN A. McLALLEN, Vancouver*
Private Investor

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

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

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

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

† Member, Executive Committee
* Member, Audit Committee
‡ Deceased, January 2, 1982

Company Offices

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Mining Division
Eastern Exploration Office
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Mine Office
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Solicitors

Burnet, Duckworth & Palmer
Lawrence & Shaw

Auditors

Coopers & Lybrand

Registrar and Transfer Agent

Canada Permanent Trust

Shares Listed

Toronto Stock Exchange
Montreal Exchange
Vancouver Stock Exchange

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