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KERR ADDISON MINES LIMITED

1987 Annual Report

COMPANY PROFILE

Kerr Addison is an experienced mine operator, developer and an aggressive explorer for minerals, actively participates in oil and gas exploration, development and operations, and holds extensive investments in the resource industries. The Company was incorporated over fifty years ago and has paid dividends for 48 consecutive years.

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FINANCIAL SUMMARY

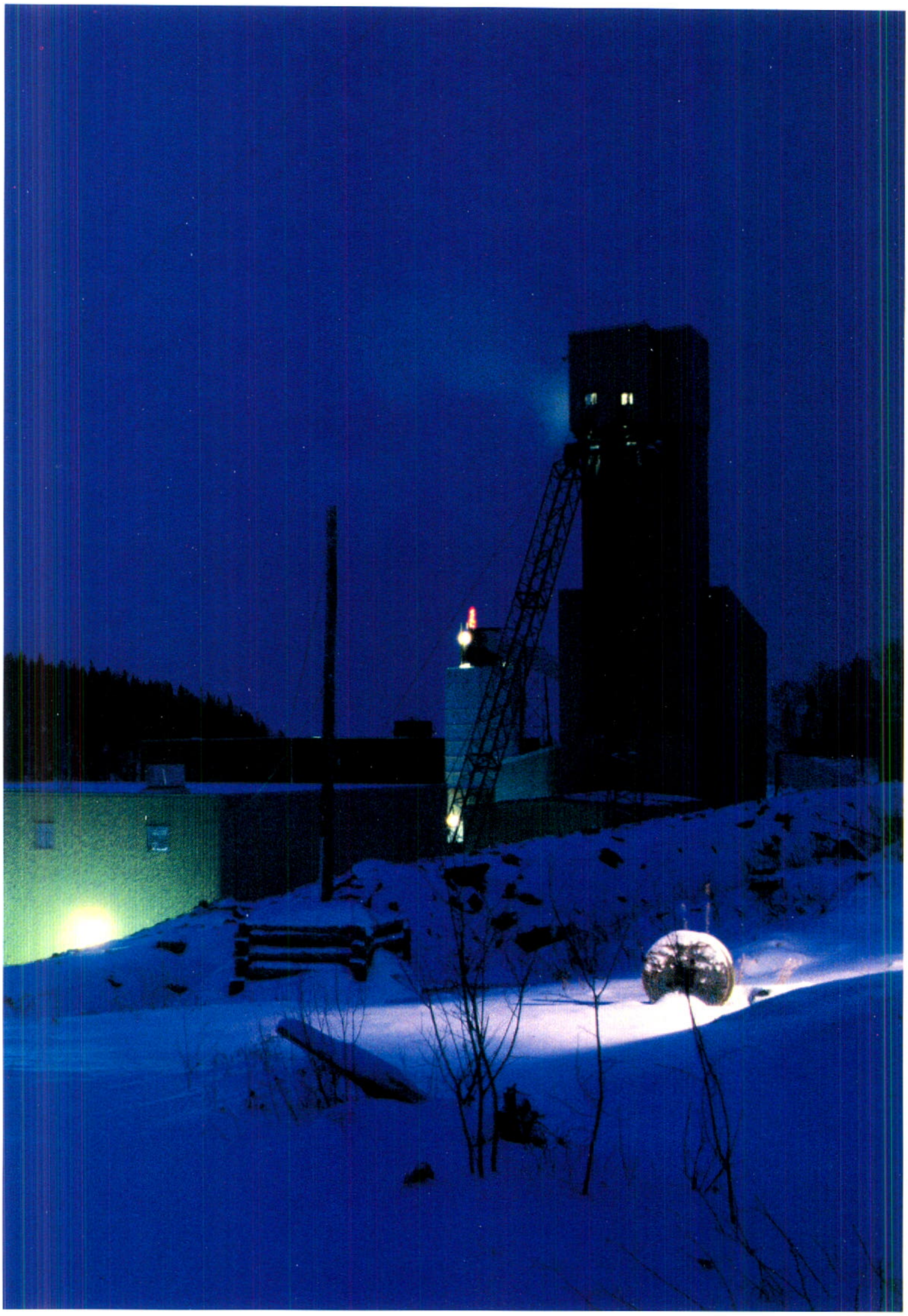
(millions of dollars)	1987	1986	1985	1984	1983
Net Sales	$ 90.2	$ 59.2	$ 48.0	$ 48.7	$ 47.5
*Net income	24.0	5.1	2.5	16.3	16.3
Cash and short-term securities	203.1	74.3	36.7	3.4	1.4
*Total assets	695.7	518.1	388.7	425.1	450.1
Long-term debt	135.0	50.0	5.0	40.0	70.0
*Shareholders' equity	348.1	331.1	336.2	341.7	335.5
(dollars per share)					
*Net income	$ 1.38	$ 0.30	$ 0.14	$ 0.95	$ 0.95
Dividends declared	.60	.60	.60	.60	.60

*1983 and 1984 figures restated for the change in the method of accounting for oil and gas expenditures.

HIGHLIGHTS IN BRIEF

- net income increased to $24 million, or $1.38 per share.
- the development and construction of Minnova's Winston Lake Division zinc mine was completed on schedule and within budget.
- the production decision for the Ansil copper deposit was made in early 1988, following completion in 1987 of the underground evaluation programme.
- the discovery of the Samatosum silver deposit was confirmed, and an underground exploration programme at the Donalda gold property was initiated.
- Anderson Exploration substantially increased its proven oil and gas reserves, and completed construction of its Dunvegan heavy liquids recovery plant.
- Canadian Hunter continued to experience success in its exploration for gas reserves in the British Columbia Deep Basin area.

ANNUAL MEETING OF SHAREHOLDERS
The annual meeting of shareholders will be held in Commerce Hall of Commerce Court West, King and Bay Streets, Toronto, Ontario on Friday, May 13, 1988 at 11:30 a.m.



The Company's primary objective is to increase its production capacity in the mining and petroleum industries through the exploration, development and acquisition of competitive reserves, while continuing to maintain its strong financial position.

Highlights

Mining: The most important achievement during the past year was completing the development and construction of the Winston Lake zinc mine on schedule and within budget. Commissioning of the concentrator for this $72 million facility began in January 1988, and production at capacity levels should commence by the end of the first quarter.

A decision was made to place the Ansil copper deposit into production following the completion of the underground evaluation programme during 1987. Although the results from that programme indicate a reduction in reserves from the previous estimates, the property offers excellent potential and underground exploration will recommence in the second half of this year. Capital costs to complete development are estimated at $30 million, which will bring our total investment in this project to $60 million. Production should commence during the first quarter of 1989.

An extensive surface diamond drilling programme has established the existence of a small massive sulphide deposit containing high silver values at the Samatosum project. Metallurgical testing and a preliminary feasibility study are currently in progress. We believe that this project will become a producing mine within two years.

Surface diamond drilling on the Donalda property has provided sufficient encouragement for the Company to commence an underground exploration programme to evaluate this gold deposit. The surface mining plant is in place and dewatering of the existing shaft is in progress. This programme should be completed by the middle of 1989.

Oil and Gas: During 1987, Anderson Exploration Ltd. had an extremely successful year in which it increased its proven reserves of natural gas by 20 percent and its proven reserves of oil and liquids by 40 percent over the previous year. This was primarily due to new studies carried out on the Dunvegan field and to new oil discoveries. Also, construction of the Dunvegan heavy liquids recovery plant was undertaken and completed for $15 million, slightly under budget. This facility substantially increased Anderson's liquids production capacity.

Canadian Hunter's joint venture with Standard Oil Production Company continued its exploration activities in the British Columbia Deep Basin area, where Standard Oil is presently funding 100 percent of the expenditures to earn a 50 percent interest in Canadian Hunter's large land position. During 1987, 13 of 15 exploratory wells were commercial gas wells, resulting in a tripling of Canadian Hunter's estimate of proven and probable reserves in this area to 124 billion cubic feet of natural gas, net to Canadian Hunter.

Production capacity from this joint venture will increase from 10 to 60 million cubic feet per day by the second quarter of 1988.

Investments: Noranda Inc., in which this Company holds 7.4 million common shares, had an excellent year in 1987, reporting earnings of $343 million, or $2.14 per share. Based on current projections, Kerr Addison expects to be able to recommence recording dividends received from Noranda as income in 1988. At Noranda's current dividend rate, this amounts to $5.9 million annually.

During the year, pre-tax gains of $26.4 million resulted mainly from the disposal of the Company's 24 percent equity interest in MFC Mining Finance Corporation and from the sale of 0.6 million common shares of Noranda Inc. As well, Kerr Addison increased its ownership in Minnova Inc. to 50.3 percent, and purchased by private placement equity interests in two developing junior mining companies, MSV Resources Inc. and RFC Resource Finance Corporation.

Financial Results

Net income for 1987 was $24.0 million, or $1.38 per share, compared to earnings of 30 cents per share in 1986. This improvement was because of increased gains from the sale of investments and other assets, and higher operating and investment income.

Production revenues and operating income increased over 1986 primarily due to the inclusion of a full years' results from Minnova Inc., control of which was acquired by Kerr Addison in August 1986. Total production was reduced somewhat by the sale of the Kerr Addison mine and mill complex on June 30, 1987. Gold production, excluding this mine, was 78,000 ounces for 1987. The Canadian Electrolytic Zinc joint venture, the earnings of which were adversely affected by a lengthy strike in 1986, produced excellent profits on good volumes and margins in 1987.

Natural gas markets have shown recent improvement, particularly during the fourth quarter of 1987 and in early 1988. Relatively cold weather throughout most of North America was the major reason for this positive development. Canadian exports to the United States increased by more than 30 percent over 1986. Although average prices for natural gas were below 1986, both Canadian Hunter and Anderson Exploration delivered increased volumes of gas, oil and liquids during 1987.

During 1987, the Kerr Addison mine and mill complex, together with certain of the Company's interests in nearby exploration properties, were sold to Golden Shield Resources Ltd. for cash and other consideration totalling $19 million together with common shares and options in Golden Shield. Also, the Company wrote-down the carrying value of certain of its mining assets by $14.1 million.

Cash provided by equity and debenture issues by the Company and Minnova Inc. totalled $81.1 million and net proceeds from the sale of investments and assets were $44.0 million. Capital expenditures were $69.9 million, including $40.9 million on the Winston Lake mine, $18.8 million on the Ansil project and $9.6 million through Canadian Hunter. Long-term debt was $135.0 million at year end, up $85.0 million during the year. Cash and short-term securities increased by $128.8 million, to $203.1 million at December 31, 1987. Dividend payments to shareholders amounted to 60 cents per share, as in 1986.

Board of Directors

You will have noted in the accompanying Information Circular that the number of Directors to be elected at the Annual Meeting on May 13, 1988 will be ten, rather than the present number of thirteen. As Messrs. J. Ossie Hinds, Gilbert Kerlin, Donald Neelands and Donald E. G. Schmitt will not be standing for re-election at the Annual Meeting, it was felt that this would be an appropriate time to reduce the size of the Board. Messrs. Neelands and Schmitt will have served as Kerr Addison Directors for 15 years, Mr. Hinds for 14 years and Mr. Kerlin for almost 6 years—each with dedication and distinction.

In July 1987, Mr. David W. Kerr, President of Noranda Inc., joined the Kerr Addison Board and Mr. E. Courtney Pratt, Senior Vice-President-Human Resources and Strategic Planning of Noranda Inc., has agreed to stand for election at the Company's forthcoming Annual Meeting.

Business Environment

During the past year, there were a number of notable achievements by the Canadian Government which will have a positive impact on the future business environment in this country. The Free Trade Agreement approved by the political leaders of Canada and the United States will be extremely beneficial to our resource industries, as it will ensure access to U.S. markets for Canadian mining and energy products and, thus, stimulate exploration and development activity in these two important areas of our business. The Meech Lake Accord brings the Province of Québec into hélas the Canadian constitution. The federal tax reform proposals provide for a more equitable income tax system and lower tax rates, thereby placing Canadian enterprises in a more competitive position internationally. This follows favourable changes made to the fiscal regimes for oil and gas producers over the past couple of years.

The ability of many Canadian companies to finance mineral exploration and mine development will become more difficult over the next few years. This is because of two factors, the recent major correction in equity markets and the reduced benefits from flow-through share transactions as proposed in the tax reform package. Kerr Addison is well positioned to operate and excel in this new environment because of its knowledge of the business and its strong financial condition.

The economies of the major countries in the western world have now completed five years of growth. During 1987, this finally began to impact on the industrial sector, resulting in strong demand for most commodities. Precious metal prices increased strongly during the year and base metal prices responded during the second half. Demand for metals has strengthened and inventories are generally at reasonable levels. In addition, the reduction in the Canadian and U.S. dollars from their previously overvalued positions relative to other major currencies, has made our production costs more competitive. We anticipate that metal prices should decline from the high levels achieved at the end of 1987, although markets should generally remain stronger than those which existed during the mid-1980's.

For the petroleum industry, 1987 was a year of moderate improvement as world oil prices recovered from the lows of 1986. Some signs of stability emerged in the range of U.S. $18.00 to $20.00 per barrel for West Texas Intermediate crude. Towards the end of 1987, however, a surplus of oil supply was causing downward pressure on oil prices again. In Canada, the petroleum industry experienced its first full year of natural gas deregulation in 1987. On a positive note for the near future, exports of natural gas to the United States by the Canadian industry are expected to increase to meet a U.S. supply shortfall, driven by declining U.S. production capability.

Outlook

The Company's long-term future depends heavily on our ability to continue to find new mines and increase reserves at existing operations. This begins with strong and consistent financial support to our highly professional exploration team. Our efforts are clearly focussed for extended periods of time on specific areas of interest and on existing operations. Mineral exploration expenditures in 1987 at all levels amounted to $23.8 million, and we intend to maintain this strong commitment in the future.

The Winston Lake zinc mine should produce at capacity levels for the last three quarters of 1988, and the Ansil copper deposit is expected to commence production in the first quarter of 1989. We believe that the Samatosum silver deposit will be producing within two years, and the evaluation on the Donalda gold deposit should be completed by the middle of 1989. These new deposits will result in a substantial increase in production over the next two years and a healthy balance between gold, silver, zinc and copper metals. This will have a very positive impact on our cash flow, as we intend to achieve our objective of controlling operating and development costs.

Recent events in natural gas markets indicate that supply and demand in North America are coming very close to being in balance. As this becomes apparent and volumes improve, prices for natural gas should respond in a positive way. Kerr Addison has substantial quality proven reserves in three major gas fields and is participating in what we believe will be a fourth.

The Company's primary objective is to increase its production capacity in the mining and petroleum industries through the exploration, development and acquisition of competitive reserves, while continuing to maintain its strong financial position. This is dependent upon the diligence of our management, employees and partners. On behalf of the Board of Directors, I would like to thank them for the Company's success during the past year.

Ian D. Bayer
President and Chief Executive Officer

Toronto, Canada
February 23, 1988

PRINCIPAL OPERATIONS

MINING AND METALS:

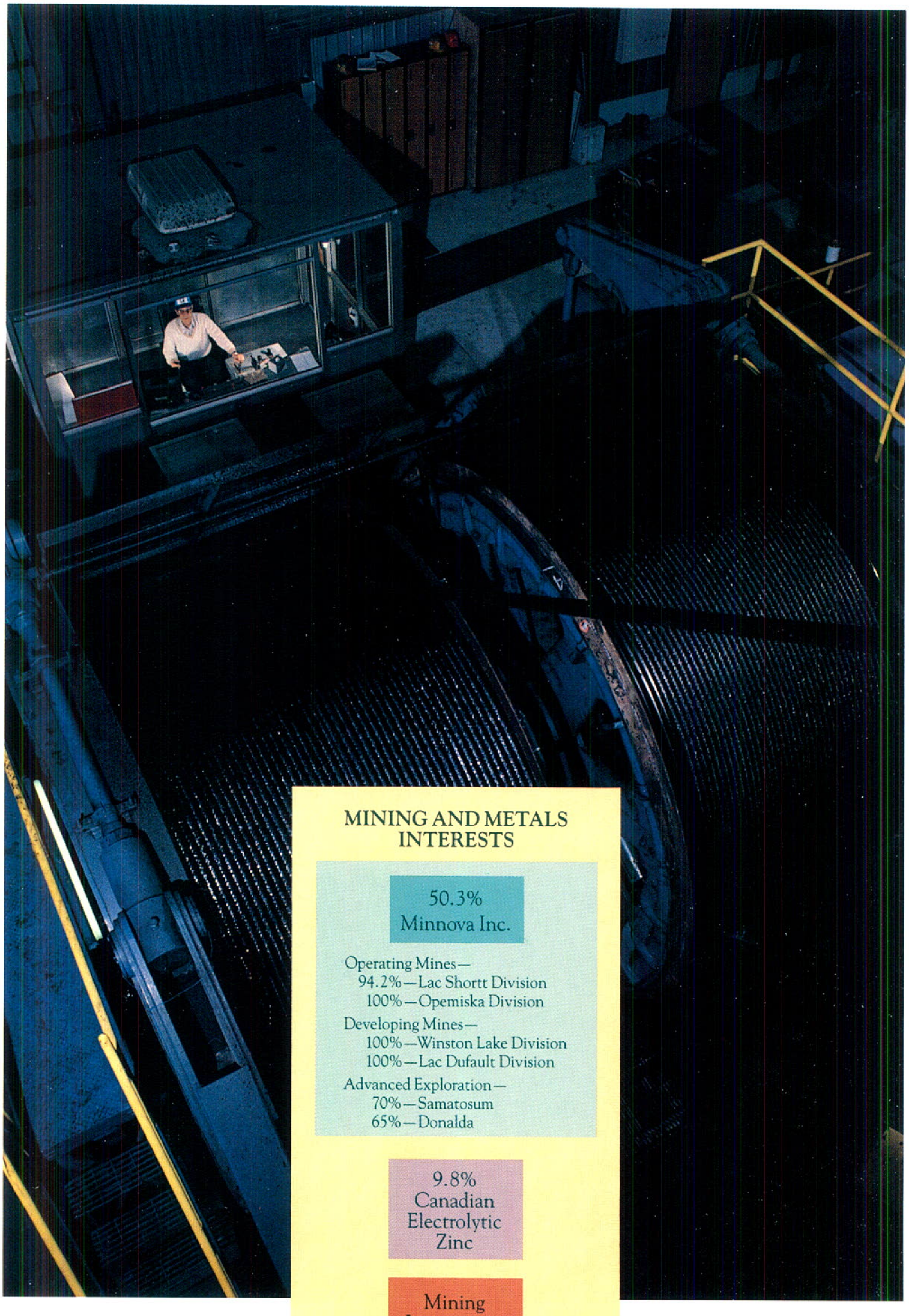
(mine symbol)
1. Lac Shortt
2. Opemiska (Chapais)
3. Lac Dufault and Ansil (Rouyn-Noranda)
4. Winston Lake (Schreiber)

(pick symbol)
1. Samatosum
2. Donalda

◆ CEZ Zinc Refinery

GAS & OIL:

1. Elmworth
2. Wapiti
3. Dunvegan
4. B.C. Deep Basin



MINING AND METALS INTERESTS

50.3%
Minnova Inc.

Operating Mines—
- 94.2%—Lac Shortt Division
- 100%—Opemiska Division

Developing Mines—
- 100%—Winston Lake Division
- 100%—Lac Dufault Division

Advanced Exploration—
- 70%—Samatosum
- 65%—Donalda

9.8%
Canadian Electrolytic Zinc

Mining Investments

The Company's mining interests represent $289 million, or 42% of its total assets.

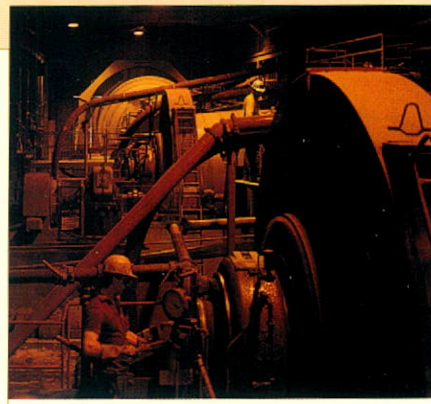
Lac Shortt Division

The 1,100 tonnes per day Lac Shortt gold mine contributed a $12 million cash operating profit to the Company during 1987, compared to $13.3 million in the previous year.

Gold production declined in 1987 as mining was carried out between the 500 and 400 metre levels where lower grade ore had been anticipated. Production of 360,000 tonnes is planned for 1988 as a result of changes in stope sequencing required to reduce underground rock pressures.

A feasibility study on deepening the shaft below the 500 metre level to develop additional reserves is in progress.

Production Review	1987	1986
Tonnes milled (000's)	396	400
Grade, g/t	4.53	5.32
Production, gold (ounces)	53,889	64,031
Average price received per oz.	$593	$513
Cost per ounce	$357	$293



Opemiska Division

This Division operates three underground mines and a concentrator located in Chapais, Quebec. With improved prices in both copper and gold, these operations generated a cash operating profit of $5.9 million in 1987, compared to $3.9 million in 1986.

Following a 19-day strike in June, a new three-year labour agreement was reached between the Company and the employee's union.

Production Review	1987	1986
Tons milled (000's)	449	508
Grade:		
% copper	1.39	1.22
oz. gold/ton	0.069	0.087
oz. silver/ton	0.30	0.27
Production:		
lbs. copper (000's)	11,980	12,037
ounces gold	27,299	39,586
ounces silver	110,502	112,825
Average price received		
copper, per lb.	$1.21	$0.85
gold, per oz.	$587	$512
Operating cost, per ton milled	$41.76	$42.27

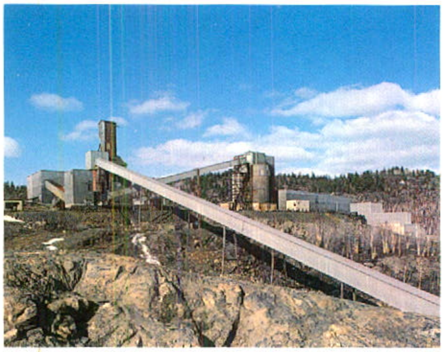
Winston Lake Division

Construction and development of the 1,000 tonnes per day Winston Lake high grade zinc-copper mine, located 27 kilometres north of Schreiber, Ontario, progressed on schedule throughout the year. Almost $41 million was spent on the project during the year, bringing the total amount spent to date to $68 million. A further $4 million will be spent in the first quarter of 1988 to bring the project to full commercial production status.

Lac Dufault Division

The Norbec mill, located 12 kilometres north of Rouyn-Noranda, Quebec, treated 14,517 tonnes of ore during the first half of the year from the recently closed Corbet mine. Subsequently, the mill treated 140,668 tonnes of ore from the Mobrun property of Audrey Resources Inc. on a custom milling basis. The mill will continue treating Mobrun ore in 1988 until such time as capacity is required for ore from the Ansil mine.

Underground exploration and development continued throughout the year at Ansil in preparation for production by early 1989 at a rate of 450,000 tonnes per year. The production and ventilation shafts were completed to depths of 1,500 and 1,347 metres, respectively, and three levels were developed. During the year, $18.8 million was spent on the project for a total cost to date of $44.5 million. Of this amount, $13.8 million was provided through a Quebec government grant.



Advanced Exploration

At the Samatosum property near Barriere, south-central British Columbia, a small high grade silver deposit was located by diamond drilling. Metallurgical testwork is in progress and a production feasibility study is being carried out.

In the Rouyn-Noranda area, Quebec, an extension of the Donalda No. 1 gold bearing quartz vein was discovered by diamond drilling. Dewatering and rehabilitation of the existing shaft is in progress.

Exploration — Kerr Addison

During 1987, Kerr Addison spent $11.2 million on mineral exploration in Quebec, Ontario, British Columbia and Nevada. Of this amount, approximately $4.9 million was contributed by joint venture partners. Kerr Addison's $6.3 million net expenditure was chiefly provided through the issuance of flow-through shares in the amount of $5 million.

Large exploration programmes oriented towards the search for gold continued throughout the year in the Lac Frotet, Montgolfier Township and Dasserat Township areas of Quebec, in the Pickle Lake area of northwestern Ontario and at the Abo property in southwest British Columbia. With the encouraging results obtained on these projects, they will be continuing in 1988. Exploration programmes in the Canadian Shield and in the western Cordillera are generated and managed from two regional offices established in Sudbury, Ontario and Vancouver, British Columbia. Potential operating acquisitions are evaluated by an aggressive business development group located in Toronto.

Exploration — Minnova

Minnova spent a total of $17.6 million on exploration projects during the year. Of this amount, $10 million was provided through the issuance of flow-through shares and a further $3.7 million was contributed by joint venture partners.

Approximately 55 percent of the total expenditures was directed towards exploration for polymetallic massive sulphide deposits and 45 percent towards the search for gold.

Exploration is carried out from regional offices strategically located close to the operating divisions, with the objective of replacing and increasing reserves for the operations. At the Lac Laura property near Chapais, Quebec, preparations are underway for the excavation of a ramp to investigate the grade and continuity of gold mineralization intersected in drilling during the year.

ORE RESERVES—December 31, 1987

Deposit	Tonnes	% Cu	% Zn	Au(*g/t*)	Ag(*g/t*)	Remarks (**diluted*)
■ Lac Shortt	1,208,000	—	—	4.9	—	*Proven, probable, possible.
■ Opemiska	564,000	1.5	—	2.4	—	*Proven and probable.
■ Winston Lake	3,077,000	1.0	15.6	0.9	30.9	*Proven, probable, possible.
■ Ansil	1,517,000	7.2	0.8	1.7	25.9	*Probable.
■ Samatosum	600,000	1.2	3.5	1.8	1,100.0	Probable, undiluted
■ Donalda	730,000	—	—	8.6	—	Possible, undiluted.

Canadian Electrolytic Zinc

Zinc slab production at the CEZ refinery was 243,000 tons for the year, compared to 130,000 tons in 1986. The plant operated near full capacity throughout the year, as compared to 1986, when production was halted for 5 months by a strike.

The refinery is ranked in the top 10 percent of the Free World's zinc reduction plants in terms of efficiency and costs. An incentive programme aimed at reducing operating costs by a further $10 million per annum in the next 3 years was instituted.

Mining Investments

At mid-year, Golden Shield Resources Ltd. purchased the Kerr Addison gold mine and mill complex at Virginiatown, Ontario, along with certain of Kerr's surrounding exploration properties. In addition to cash and other consideration totalling $19 million, the Company received 5,000,000 shares of Golden Shield, representing about 30 percent of its equity.

Golden Shield continued the dewatering and rehabilitation of the nearby Cheminis mine workings in order to conduct an underground exploration programme. Surface stripping at the Barber Larder site was started in preparation for open pit mining in 1988.

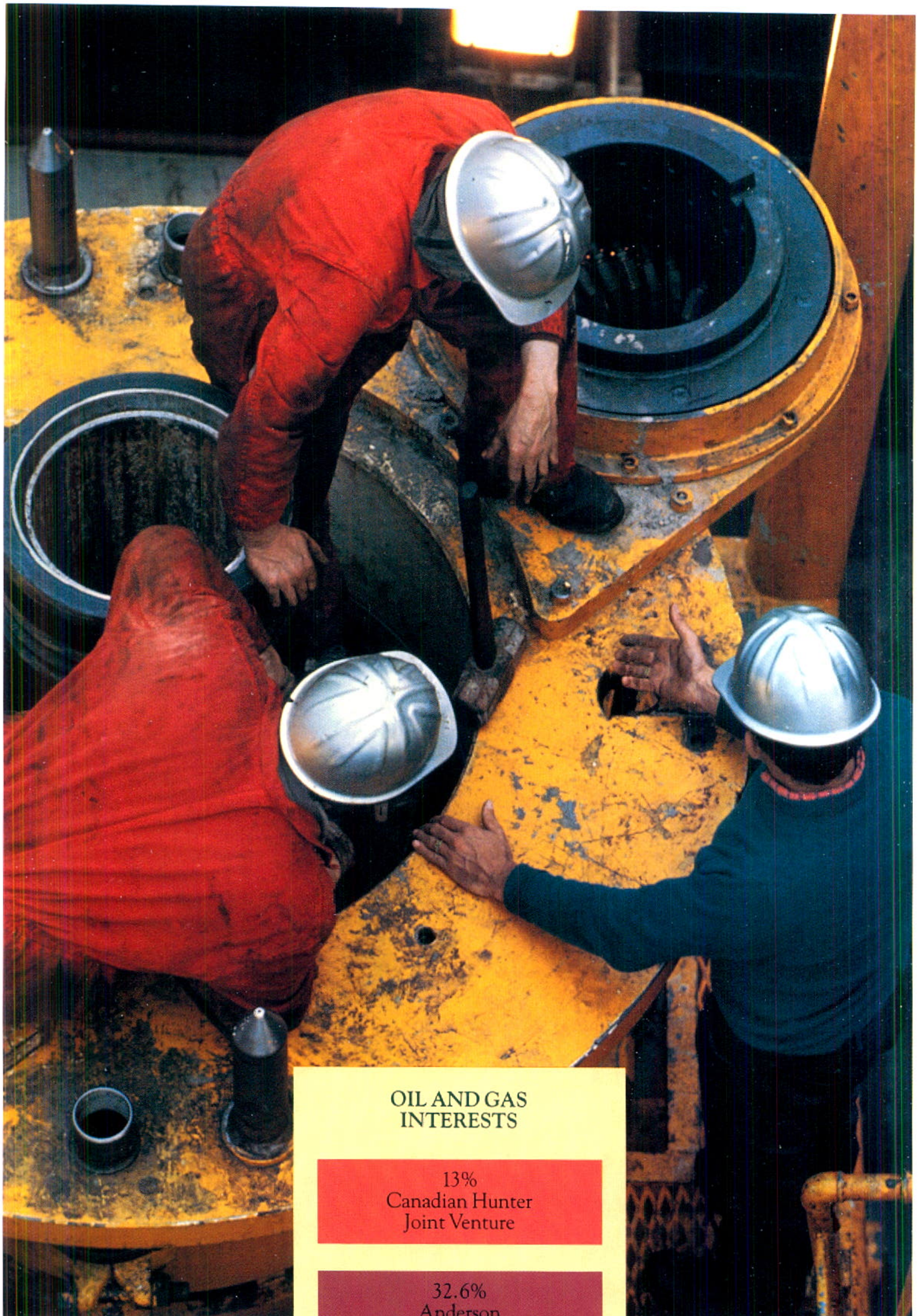
On November 6, 1987, Kerr Addison acquired by private placement 1,200,000 shares of MSV Resources Inc. for a cost of $3.6 million. MSV's chief assets are a 49 percent joint venture interest in the Eastmain gold deposit located north of Chibougamau, Quebec, and a 23 percent equity interest in Nova-Cogesco Resources Inc. That company holds joint venture interests in a number of Quebec exploration and development projects along the Noranda-Val d'Or gold belt, including a 20 percent participating interest in the Silidor project currently being developed by Noranda Inc. This mine is expected to be producing by the end of 1989 at a rate of 60,000 ounces gold per year.

In April 1987, Kerr Addison sold its 24 percent interest in MFC Mining Finance Corporation to realize a pre-tax gain of $17.6 million. MFC's chief assets are its 50 percent ownership of Blackdome Mining Corp. and its 50 percent interest in the Stibnite Mine in Idaho.

Subsequent to year end, Kerr Addison acquired by private placement a 49 percent equity position in RFC Resource Finance Corporation for $3 million. RFC will be providing financing in return for ownership interest in junior mining situations which are beyond the exploration stage.

Peter Bojtos, P.Eng.
Vice-President–Exploration
& Corporate Development

Toronto, Canada
February 23, 1988



OIL AND GAS INTERESTS

13%
Canadian Hunter Joint Venture

32.6%
Anderson Exploration Ltd.

Kerr Addison's investments in the oil and gas industry are carried on its financial statements at $155 million and represent 22 percent of this Company's assets.

Canadian Hunter

The Canadian Hunter joint venture carries out exploration, development and production operations throughout western Canada with a staff of 300 people based almost entirely in Calgary. Its principal assets are its extensive land position and natural gas liquids reserves in the Elmworth and Wapiti contract area of northwestern Alberta.

Canadian Hunter experienced mixed results in 1987, having had a very successful exploration and development programme but disappointing financial results caused by weak markets. Partly offsetting the natural gas effect was a substantial 74 percent increase in crude oil production and a 122 percent increase in operating cash income contributed from crude oil production.

Kerr Addison's share of Hunter's daily gas production in 1987 averaged 13.5 million cubic feet per day, similar to the 1986 levels. Western Gas Marketing Limited, Canadian Hunter's major customer, reduced average takes from 46 percent to 38 percent of contract quantities. Kerr Addison's share of sales by Canadian Hunter to the spot gas market averaged approximately 1.8 million cubic feet per day, and its share of crude oil production increased to 200 barrels per day from 115 barrels per day in 1986. Natural gas liquids production declined by 11 percent in 1987 to 525 barrels per day. This decline reflects reduced takes of ethane by ESSO Resources, a major customer of Canadian Hunter.

Through the period of 1986 and 1987, many oil and gas companies reduced capital expenditures. With its strong exploration orientation, Canadian Hunter decided that this period of low land acquisition and drilling costs represented an opportunity to build asset values. Canadian Hunter increased capital expenditures through each of these two years and now has an array of properties to be further explored, developed and brought into production as energy markets improve. Canadian Hunter's plans for 1988 include increased capital expenditures over 1987.

Kerr Addison's share of capital expenditures in 1987 increased to $9.6 million from $8.1 million in 1986. The Canadian Hunter joint venture drilled 114 wells in 1987, an increase of 26 over 1986. Of the total 114 wells, 63 were exploration wells which achieved a 60 percent success rate. The remaining 51 wells were development wells with an 88 percent success rate.

In British Columbia, Canadian Hunter's joint venture with Standard Oil Production Company continued its exploration activities in the Deep Basin area. Standard Oil is presently funding 100 percent of the expenditures of this programme to earn a 50 percent interest in Canadian Hunter's lands in the B.C. Deep Basin. During 1987, 13 of the 15 exploratory wells which were drilled by Canadian Hunter and Standard Oil were commercial gas wells, resulting in a tripling of Canadian Hunter's estimate of proven and probable reserves in this area to 124 billion cubic feet net to Canadian Hunter. Canadian Hunter's geological assessment of the resource potential of the B.C. Deep Basin estimates 5.8 trillion cubic feet of natural gas net to Canadian Hunter and Standard Oil. This is up from the 4.2 trillion cubic feet which was estimated one year ago.

Initial tied-in production capability of 10 million cubic feet per day will be increased to approximately 60 million cubic feet per day by the second quarter of 1988. Plans to significantly increase this deliverability by 1989 are being developed.

In Saskatchewan, Canadian Hunter participated in the drilling of 24 wells, resulting in 12 new oil wells. A significant agreement was reached between Canadian Hunter and the White Bear Indian Band which provides Canadian Hunter with the exploration rights to 28,000 acres of largely unexplored land in an oil and gas region of that Province. Exploratory wells will be drilled on this land during 1988.

While Canadian Hunter is very active in both British Columbia and Saskatchewan, the core of its established assets remain in the Elmworth Deep Basin area of Alberta, and the majority of Canadian Hunter's activities during 1987 was in Alberta. Approximately $6 million of Kerr Addison's capital expenditures were spent on exploration and development in that Province. Seventy-two exploratory and development wells were drilled, resulting in a significant increase in Alberta oil production by 60 percent over 1986. The majority of this additional production is free of government royalties for periods of up to five years. This increase in Alberta oil production came from activities in several areas of the Province, and additional development potential in these areas is expected to result in another significant increase in Alberta crude oil production during 1988. December's crude oil production was 390 barrels per day net to Kerr Addison.

Inland Gas and Oil Ltd. and Trans Mountain Petroleums Ltd., subsidiaries of Inland Natural Gas and Trans Mountain Pipeline, participated with Canadian Hunter in 1987 in a $31 million exploration joint venture. Inland and Trans Mountain contributed 60 percent of exploratory expenditures for the programme to earn a 30 percent interest. The programme involved almost all of Canadian Hunter's exploration activities, with the only major exception being the B.C. Deep Basin programme in which Standard Oil is Canadian Hunter's partner. A similar $23 million programme for the first part of 1988 has been agreed to by Inland, Trans Mountain and Canadian Hunter.

Kerr Addison's share of proven reserves at December 31, 1987, before royalties was 82 billion cubic feet of natural gas and 4.8 million barrels of oil and natural gas liquids. Proven and probable reserves were 174 billion cubic feet of natural gas and 9.7 million barrels of oil and natural gas liquids. The joint venture's total land position at December 31, 1987 was 1.7 million net acres.

Canadian Hunter has non-operating interests in two heavy oil projects located in the Primrose area of Alberta, just north of Cold Lake. Both projects have been suspended since the sharp drop in crude oil prices in early 1986. However, both are now being studied to determine their economic viability if world crude oil prices can demonstrate reasonable stability in the range of $20 U.S. per barrel.

Canadian Hunter expects 1988 to be an improvement over 1987 with further significant increases to crude oil production as the exploration discoveries of 1987 are fully developed and as gas volumes begin to recover. Canadian Hunter's main objective is to remain among the best oil and gas finders in the industry. This is defined as being in the best quartile of the industry with respect to each of finding costs, reserves replacement and production efficiency. Key elements of Canadian Hunter's strategy are the vigorous exploration and development of the B.C. Deep Basin area, building on the many oil discoveries in 1987, the cautious development of the Primrose heavy oil reserves and a first rate natural gas marketing effort.

Anderson Exploration

Anderson is headquartered in Calgary, while its principal producing assets are located in northwestern Alberta. It has 38 staff at head office and 39 personnel at the field office. Anderson is the operator and 47.5 percent owner of the Dunvegan gas contract area. During 1987, 80 percent of that company's natural gas sales was delivered to Alberta and Southern Gas Co. Ltd., which supplies natural gas to the larger Northern California market.

Anderson's daily production volumes, before deductions for royalties, were 64 million cubic feet of natural gas and 1,900 barrels of oil and natural gas liquids. These figures represent 33 and 50 percent increases, respectively, from the 1986 levels. The improvement in natural gas sales reflected the strong demand for competitively priced Canadian gas in Northern California. The Dunvegan field produced at near maximum

rates for the January to April period, averaging about 113 million cubic feet per day. Oil production increased by 25 percent over 1986 and natural gas liquids production from the new Dunvegan plant commenced in August 1987.

Cash flow for 1987 was $23.8 million, representing an increase of 37 percent over 1986, despite a 12 percent reduction in natural gas prices. Exploration and development expenditures were $18.3 million, similar to the previous year. Anderson participated in the drilling of 53 working interest wells, 36 operated by the company and 17 by other operators. This drilling resulted in 34 oil wells, 7 gas wells and 12 dry holes. Seven wells were also drilled on Anderson's lands by others, resulting in 4 oil wells and one gas well. During the year the construction of the Dunvegan deep cut plant was undertaken and completed at a cost of $15.1 million. The plant was accepted from the contractor in August 1987, and is performing up to expectations.

This plant substantially increased the company's production capacity for natural gas liquids.

Proven reserves, before royalties, at Anderson's fiscal year ended September 30, 1987, were 512 billion cubic feet of natural gas and 15.4 million barrels of oil and natural gas liquids. This represents increases of 18.6 percent and 43.4 percent, respectively, over those of the previous year. Proven plus probable reserves at the same date were 721 billion cubic feet of natural gas and 21.5 million barrels of oil and liquids. The September 30, 1987 land inventory consisted of 609,000 net acres, down slightly during the year. The past year has been an extremely successful one in terms of increased oil and gas reserves and the fact that the company "turned the corner" from an earnings point of view. During 1988, Anderson will concentrate on drilling and recompletion work at Dunvegan to further increase deliverability, continue oil development projects at Progress and Hayter and increase the pace of the company's exploration programmes. Prospects for the Canadian Industry and the company continue to improve.

Toronto, Canada
February 23, 1988

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada. The principal accounting policies are summarized hereunder to facilitate review of the consolidated financial statements.

A. **Basis of consolidation**

The consolidated financial statements include, on a consolidated basis, the accounts of Kerr Addison Mines Limited ("Kerr Addison" or "the company"), its 50.3% owned subsidiary company, Minnova Inc. ("Minnova") (formerly Corporation Falconbridge Copper), and its wholly-owned subsidiary companies, Keradamex, Inc. and Kerramerican, Inc. The accounts of Minnova have been consolidated, using the purchase method, from acquisition on August 27, 1986.

The company has direct and undivided interests of 13.0% in all of the oil and gas properties, production and related activities of Canadian Hunter Exploration Limited ("Canadian Hunter") and 9.8% in all of the properties, production and related activities of Canadian Electrolytic Zinc ("CEZ"). Noranda Inc. is the major holder and operator of both of these ventures. The company's share of the ventures' assets, liabilities, revenues and expenses is reflected in the consolidated financial statements.

B. **Investments in associated companies**

The company's interest in the common shares of Noranda Inc. ("Noranda") is accounted for following the "cost method" whereby the investment is initially recorded at cost and earnings from the investment are recognized only to the extent that dividends are distributed from the net profits of Noranda arising subsequent to acquisition of the shares on September 30, 1982. Because of losses incurred by Noranda, principally in 1985, dividends received since 1985 have been deducted from the cost of the company's investment.

The company's interest in the common shares of Anderson Exploration Ltd. ("Anderson") is accounted for following the "equity method" whereby the investment is initially recorded at cost and the carrying value is adjusted thereafter to reflect the company's share of post-acquisition profit or losses.

C. **Concentrates, bullion and metals**

The estimated realizable value of concentrates, bullion and metals is recognized as revenue at the time of production. Purchased concentrates are valued at the lower of actual cost and net realizable value. The inclusion in sales of the value of concentrates, bullion and metals on hand is not significant.

D. **Short-term securities**

Short-term securities are recorded at the lower of cost or market determined on an individual basis.

E. **Property, plant and equipment**

Mining and smelting—
Property, plant and equipment and related expenditures are recorded at cost less applicable investment tax credits and government assistance. Property, plant and equipment includes previously deferred exploration and development expenditures on properties which have been brought into production. Preproduction and development expenditures on projects under construction are capitalized until the commencement of commercial production.

Mineral exploration and development expenditures are charged against current earnings unless they relate to interests in properties where the reserves have the potential of being economically recoverable, in which case the expenditures are deferred. Upon disposal or abandonment of such interests, the net gain or loss is reflected in earnings. If the properties are brought into production, deferred exploration and development expenditures relating thereto are reclassified with property, plant and equipment.

Depreciation of mining assets is provided on the unit-of-production basis over the estimated economic life of the related mine. Depreciation of smelting assets is provided on the straight-line method over periods of 4 to 20 years.

Oil and gas—
The company's oil and gas investments consist of its participation in Canadian Hunter and its common share interest in Anderson.

The company follows the full cost method of accounting whereby all costs associated with the exploration for and development of oil and gas reserves, whether productive or unproductive, are capitalized in cost centres on a country-by-country basis and charged against earnings as set out below. Such costs include land acquisition, drilling, geological and geophysical interest and overhead expenses related to exploration and development activities.

Depletion is provided on costs accumulated in producing cost centres using the unit-of-production method based on estimated proven oil and gas reserves. The company periodically reviews the costs associated with unproven properties to determine whether they are likely to be recovered. When costs are not likely to be recovered, an impairment allowance is made.

The carrying value of the company's oil and gas investments in producing cost centres is limited to an ultimate recoverable amount which is the aggregate of future net revenues from proved reserves and the costs of unproved properties, net of impairment allowances, less future general and administrative costs, financing costs and income taxes. Future net revenues are estimated using year-end prices.

F. **Income taxes**

The company follows the deferral method of applying the tax allocation method of accounting for income taxes. Under this method, timing differences between the period when income or expenses are reported for tax purposes and the period when they are recorded in the accounts result in deferred income taxes.

G. **Retirement plans**

Effective January 1, 1987, the company adopted, on a prospective basis, the new recommendations of The Canadian Institute of Chartered Accountants for pension costs. Under the new policy, pension expense or credit includes the amortization, on a straight-line basis, of the difference between the value of the pension fund assets and the actuarial present value of the accrued pension benefits over the expected average remaining service lives of the employee groups covered by the plans. Actuarial valuations are calculated using the "projected benefit" method based on management's best estimates of future interest rates and salary levels. The difference between pension expense or credit and the funding contributions is reflected as a deferred pension asset. The effect of this change on net income for 1987 was not material.

H. **Flow-through shares**

The company issues common shares ("flow-through" shares) from time to time which entitle the purchaser to earn tax deductions in respect of qualifying exploration and development expenditures made by the company. The portion of the subscription price of such shares which is based on their market value is credited to share capital. The remaining premium attributable to the tax benefits transferred to subscribers is credited to earnings.

CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended December 31, 1987
(with comparative figures for the year ended December 31, 1986)

(in thousands of dollars)

	1987	1986
Income from mining and smelting, and oil and gas activities:		
Net sales	$90,206	$59,249
Cost of production	58,715	42,762
	31,491	16,487
Gain on sale of investments and other assets (note 6)	26,403	6,635
Dividend and interest income	10,783	6,131
Share of profit (loss) of Anderson Exploration Ltd.	545	(587)
	69,222	28,666
Deduct:		
Mineral exploration expenses	23,776	11,062
Allocated premium on flow-through shares	(9,989)	(999)
Depreciation and amortization	13,281	7,554
Interest on debt (note 4)	9,287	1,973
Administrative and general expenses	2,370	1,591
Minority interest in earnings of Minnova Inc.	1,633	936
	40,358	22,117
Income before income taxes	28,864	6,549
Income taxes (note 7)	6,108	1,440
Income before extraordinary items	22,756	5,109
Extraordinary items (note 9)	1,211	
Net income for the year	$23,967	$ 5,109
Earnings per share (note 5):		
Income before extraordinary items	$1.31	$0.30
Net income for the year	$1.38	$0.30

(See accompanying notes to consolidated financial statements)

CONSOLIDATED BALANCE SHEET

December 31, 1987
(with comparative figures at December 31, 1986)

(in thousands of dollars)

ASSETS	1987	1986
Current:		
Cash and short-term securities, at lower of cost and market value (note 11)	$203,101	$ 74,265
Accounts and interest receivable	14,127	11,535
Concentrates, bullion and metals awaiting settlement, in transit and on hand	16,828	13,992
Supplies and materials, at cost	6,211	6,975
Total current assets	240,267	106,767
Investments and other assets (note 2)	213,239	214,644
Property, plant and equipment (note 3)	242,238	196,717
	$695,744	$518,128

LIABILITIES AND SHAREHOLDERS' EQUITY	1987	1986
Current:		
Accounts payable and accrued charges	$ 22,680	$ 21,619
Income and production taxes payable	4,672	737
Total current liabilities	27,352	22,356
Long-term debt (note 4)	135,000	50,000
Deferred income taxes	44,082	37,611
Other deferred liabilities	6,534	9,232
Minority interest in Minnova Inc.:		
Convertible subordinated debentures (note 8)	65,000	
Common shares	69,672	67,782
	347,640	186,981
Shareholders' equity:		
Share capital (note 5)	184,196	180,783
Retained earnings	163,908	150,364
	348,104	331,147
	$695,744	$518,128

On behalf of the Board:

Ian D. Bayer, *Director*

James W. McCutcheon, *Director*

(See accompanying notes to consolidated financial statements)

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

For the year ended December 31, 1987
(with comparative figures for the year ended December 31, 1986)

(in thousands of dollars)

	1987	1986
Retained earnings, beginning of year	$150,364	$155,639
Add net income for the year	23,967	5,109
	174,331	160,748
Deduct dividends ($0.60 per share in each year)	(10,423)	(10,384)
Retained earnings, end of year	**$163,908**	$150,364

(See accompanying notes to consolidated financial statements)

AUDITORS' REPORT

To the Shareholders
of Kerr Addison Mines Limited:

We have examined the consolidated balance sheet of Kerr Addison Mines Limited as at December 31, 1987 and the consolidated statements of operations, 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, 1987 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.

Clarkson Gordon

Toronto, Canada,
February 18, 1988.

Chartered Accountants

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended December 31, 1987
(with comparative figures for the year ended December 31, 1986)

(in thousands of dollars)

	1987	1986
Cash provided by (used in) operating activities:		
Income before extraordinary items	$ 22,756	$ 5,109
Items not affecting cash—		
Depreciation and amortization	13,281	7,554
Gain on sale of investments and other assets	(26,403)	(6,635)
Allocated premium on flow-through shares	(9,989)	(999)
Other	3,202	2,963
	2,847	7,992
Net change in non-cash working capital balances (receivables and inventories, less payables)	(917)	7,563
Cash provided by operating activites	1,930	15,555
Cash provided by financing activities:		
Issue of long-term debt by the company	85,000	45,000
Issue of convertible debentures by Minnova Inc.	63,043	
Issue of common shares by the company	6,746	852
Issue of common shares by Minnova Inc.	11,326	
Cash provided by financing activites	166,115	45,852
Cash used in (provided by) investing activities:		
Investment in shares of Minnova Inc.	6,420	120,375
Less cash balance in Minnova Inc. at time of acquisition		76,328
	6,420	44,047
Additions to property, plant and equipment	69,936	20,448
Sale of investments and other assets (net)	(30,008)	(47,006)
Sale of Virginiatown mine (note 9)	(14,016)	
Dividends received on shares of Noranda Inc.	(4,233)	(4,695)
Cash used in investing activities	28,099	12,794
Dividends paid (including $687 in each year to minority shareholders of Minnova Inc.)	11,110	11,071
Increase in cash during the year	128,836	37,542
Cash and short-term securities, beginning of year	74,265	36,723
Cash and short-term securities, end of year	$203,101	$74,265

(See accompanying notes to consolidated financial statements)

1. Accounting policies

The principal accounting policies followed by the company are detailed under the caption "Accounting Policies".

2. Investments and other assets

(in thousands)

	1987	1986
Investments in associated companies:		
Noranda Inc.	$119,449	$133,763
Anderson Exploration Ltd.	74,819	74,274
Other investments, at cost	11,358	4,267
Other assets	7,613	2,340
	$213,239	$214,644

(a) Noranda Inc.—

At December 31, 1987, the company owned 7,361,281, or 4.0% (1986—7,961,281 or 5.5%) of the total outstanding common shares of Noranda Inc. Noranda and its associated companies are engaged in businesses encompassing mining and metallurgy, manufacturing, forest products and oil and natural gas exploration and production. At December 31, 1987 the quoted market value of the shares was approximately $194 million.

(b) Anderson Exploration Ltd.—

The company owns 1,125,993, or 32.6%, of the total outstanding common shares of Anderson Exploration Ltd. Anderson is engaged in the exploration and production of oil and gas properties in Western Canada.

3. Property, plant and equipment

(in thousands)

	1987			1986
	Cost	Accumulated depreciation and amortization	Net book value	Net book value
Mining and smelting properties:				
In production	$141,753	$108,050	$ 33,703	$ 44,136
Under development	135,833		135,833	84,339
	277,586	108,050	169,536	128,475
Oil and gas properties	95,302	22,600	72,702	68,242
	$372,888	$130,650	$242,238	$196,717

4. Long-term debt

The company has a line of credit with its bankers which expires January 1, 1989. Advances are funded by bankers' acceptances. The effective interest rate payable on the bankers' acceptances is 9.1% at December 31, 1987. No assets have been pledged by the company as collateral for the line of credit. Interest on long-term debt amounted to $7,346,000 in 1987 ($1,973,000 in 1986).

5. Share capital

Number of shares

	1987	1986
Authorized—		
Common shares without par value	unlimited	25,000,000
Preferred shares without par value, issuable in series	unlimited	Nil

The changes in the company's issued and outstanding common shares for the year 1987 and 1986 are set out below:

	1987		1986	
	Shares	Amount (\$000's)	Shares	Amount (\$000's)
Issued and outstanding, beginning of year	17,315,027	$180,783	17,298,629	$180,534
Issued as "flow-through" shares to assist in the financing of exploration expenditure—				
Proceeds of issuance	110,011	5,000	3,373	118
Portion allocated to earnings as the value of the tax benefits transferred to subscribers		(3,333)		(63)
Issued under employee share purchase and option plans	110,139	1,746	13,025	194
Issued and oustanding, end of year	17,535,177	$184,196	17,315,027	$180,783

At December 31, 1987, options on 24,800 common shares were outstanding, exercisable at prices varying from $12.02 to $18.00 for periods up to 1997.

Net income per share calculations have been based on the weighted average number of common shares outstanding during each year—17,374,000 in 1987; 17,306,000 in 1986.

6. Gain on sale of investments and other assets

(in thousands)

	1987	1986
Gain on sale of investments	$24,078	$6,555
Gain on sale of fixed and other assets	2,325	80
	$26,403	$6,635

7. Income taxes

The provisions for income taxes for the years 1987 and 1986 are analyzed in the following table to show (i) the taxes that would be payable by applying statutory tax rates to the company's pre-tax earnings, and (ii) the taxes actually provided in the accounts:

(in thousands)

	1987	1986
Income before income taxes	$28,864	$6,549
Statutory tax rates	49.0%	50.0%
Tax at statutory rates	$14,143	$3,275
Adjust for effect of—		
Resource allowance	(2,784)	(1,506)
Depletion allowance	(1,571)	(309)
Flow-through exploration expenditures	2,507	456
Non-taxable income	(2,621)	(53)
Non-taxable portion of capital gains	(5,802)	(2,265)
Other (net)	2,236	1,842
Tax provided in the accounts	$6,108	$1,440

8. Convertible debentures of Minnova Inc.

The adjustable rate convertible subordinated debentures are unsecured obligations of Minnova Inc. ("Minnova"). The debentures were issued on September 30, 1987, mature on September 30, 2007, and pay interest at a rate per annum equal to the greater of (i) 5% and (ii) 1% plus the percentage that two times the dividends paid on the common shares of Minnova in the six months ended on the date six months prior to the interest payment date is of the conversion price. The debentures are convertible at the holder's option into common shares of Minnova on or before the earlier of September 29, 2007 and the last business day prior to redemption, at a conversion price of $34.25 per common share. At any time after September 30, 1992, Minnova may adjust the conversion price to $38.00, provided that Minnova also fixes the interest rate at 6% per annum. The debentures are redeemable at par plus accrued interest after September 30, 1992 and, at any time prior to that date, at 105% of par plus accrued interest if at least 85% of the original principal amount of the debentures have been converted. On September 30, 2007, Minnova has the option to retire any debentures then outstanding by issuing common shares at the average closing market price for the 30 trading days prior to maturity.

9. Extraordinary items

(in thousands)

	1987
Gain on sale of Virginiatown gold mine and mill complex (net of applicable deferred income taxes of $7,400) (a)	$15,311
Write-down of mining properties (b)	(14,100)
	$1,211

(a) Effective June 30, 1987, the company sold its Virginiatown gold mine and mill complex for cash of $14,016,000 and debentures and common shares of the purchaser at an assigned value of $5,000,000. The gain on the sale includes the reversal of a provision for mine closure.

(b) During the year, the carrying value of certain mining properties was written down by $14,100,000 principally because of diminished ore reserve potential and additional capital costs required to bring properties into production.

10. Segmented information

The company operates primarily in two industries—mining and smelting, and oil and gas, and in one geographic area—Canada. The mining and smelting industry is comprised principally of the mining operations of Minnova and the zinc reduction activities of Canadian Electrolytic Zinc. The oil and gas industry comprises the company's interests in Canadian Hunter and Anderson. Information regarding industry segments is set out in the table below:

(in thousands)

	Industry segments					
	Mining and smelting (i)		Oil and gas		Consolidated	
	1987	1986	1987	1986	1987	1986
Net sales	$ 79,373	$45,654	$10,833	$13,595	$90,206	$59,249
Cost of production	55,004	38,614	3,711	4,148	58,715	42,762
	24,369	7,040	7,122	9,447	31,491	16,487
Mineral exploration expenses	(23,776)	(11,062)			(23,776)	(11,062)
Allocated premium on flow-through shares	9,989	999			9,989	999
Depreciation and amortization	(8,579)	(3,418)	(4,702)	(4,136)	(13,281)	(7,554)
Segment operating profit (loss)	$ 2,003	$(6,441)	$ 2,420	$ 5,311	4,423	(1,130)
Income and expenses not allocated to industry segments (net)					18,333	6,239
Income before extraordinary items					22,756	5,109
Extraordinary items					1,211	
Net income for the year					$ 23,967	$ 5,109
Identifiable assets	$289,445	$227,511	$154,522	$148,106	$443,967	$375,617
Corporate assets—						
Shares of Noranda Inc.					119,449	133,763
Other					132,328	8,748
Total assets					$695,744	$518,128
Capital expenditures	$ 62,619	$ 13,100	$ 9,580	$ 5,859	$ 72,199	$ 18,959

(i) The results of operations of the Virginiatown gold mine and mill complex, which was sold on June 30, 1987, are included in the mining and smelting industry to that date, as set out below:

(in thousands)

	1987	1986
Net sales	$10,613	$21,335
Cost of production	(9,835)	(19,267)
Depreciation and amortization	(31)	(83)
Net operating profit	$ 747	$ 1,985

(ii) Canadian production includes exports of $19,313 ($4,731 in 1986) primarily to customers in the United States.

11. Related party transactions

The company is related to Noranda Inc. and its affiliated companies ("the Noranda Group"). Details of significant transactions with the Noranda Group for the years 1987 and 1986 are set out below:

(i) Canadian Electrolytic Zinc ("CEZ")—
The company's portion of zinc concentrate purchased on the company's behalf by CEZ from the Noranda Group amounted to approximately $11,275,000 (1986—$7,000,000).

(ii) Marketing and administrative services—
The Noranda Group markets substantially all of the company's production and renders technical and administrative services to the company. During the year marketing fees were $315,000 (1986—$251,000) and fees for technical and administrative services were $126,000 (1986—$123,000).

Copper and zinc concentrates and gold bullion sales by the company to Noranda Inc. during 1987 amounted to approximately $79,373,000 (1986—$47,216,000).

(iii) Short-term securities—
The company participates in a short-term investment pool with the Noranda Group. The pool is operated to provide participating companies with the opportunity to invest or borrow funds on a short-term demand basis within the Noranda Group. During 1987, the company incurred interest on net borrowings amounting to $1,656,000 (1986—interest earned of $669,000). At December 31, 1987, the company's deposit in the pool was $3,660,000 (1986—$6,100,000).

During 1987 the company invested $200,000,000 in common shares of an affiliated company; $100,000,000 of these shares were subsequently sold at cost to other affiliated companies. Dividends on the shares amounted to $4,639,000. At December 31, 1987, the cost of the shares, which approximates market value, is included in short-term securities.

During 1987, the company invested in short-term debt securities issued by certain affiliated companies. Interest on these investments amounted to $112,000. At December 31, 1987, the investment in such short-term securities totalled $34,727,000.

12. Capital expenditure commitments

Capital expenditure commitments for 1988 for properties under development are estimated to be $50,000,000.

13. Retirement plans

The company has retirement plans covering substantially all employees. Based on the most recent actuarial valuation of the plans at January 1, 1987 projected to December 31, 1987, the estimated actuarial present value of accrued pension benefits and the estimated value of the pension fund net assets available to provide for these benefits are as follows:

(in thousands)

	1987	1986
Accrued pension benefits	$15,833	$14,647
Pension fund assets	$28,713	$26,618

14. Litigation

Minnova's 100% ownership of its Winston Lake mine is subject to a 10% net proceeds of production royalty under the terms of the original 1980 option agreement. In December of 1987, an action was instituted against Minnova alleging, among other things, that under the option agreement, the previous owner is entitled to purchase a 20% participating ownership interest in the mine rather than the 10% net proceeds of production royalty.

Minnova's 94.2% ownership interest in its Lac Shortt mine is subject to a 7.5% net proceeds of production royalty under the terms of the original 1979 option agreement. In January of 1988, an action was instituted against Minnova alleging, among other things, that the annual royalty calculations performed by Minnova pursuant to the 1979 agreement were not done in accordance with the agreement.

Minnova believes that its defences to these actions are meritorious and is vigorously defending each action.

15. Comparative figures

Certain of the 1986 comparative figures have been reclassified to conform to the presentation adopted in the current year.

DIRECTORS

*Ian D. Bayer
President & Chief Executive Officer
Kerr Addison Mines Limited

*Jack L. Cockwell
Executive Vice-President
Brascan Limited

*P. S. Cross, P.Eng.
Consultant
Kerr Addison Mines Limited

J. A. Hall
Company Director—Mining Engineer

K. C. Hendrick
President
Noranda Minerals Inc.

J. O. Hinds
Company Director

Gilbert Kerlin
Partner
Shearman & Sterling

David W. Kerr
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†*James W. McCutcheon, Q.C.
Partner
Shibley, Righton & McCutcheon

D. G. Neelands, Q.C.
Company Director

†*J. P. W. Ostiguy, O.C.
Honorary Chairman
Richardson Greenshields of Canada Limited

†*Alfred Powis, O.C.
Chairman & Chief Executive Officer
Noranda Inc.

D. E. G. Schmitt
Company Director—Mining Engineer

*Member of Executive Committee
†Member of Audit Committee

OFFICERS

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Chairman of the Board

Ian D. Bayer
President & Chief Executive Officer

P. Bojtos
Vice-President—Exploration & Corporate Development

A. H. Cross
Treasurer

J. B. Sage
Secretary

MINNOVA Inc.

J. K. Carrington
Vice-President—Operations

D. H. Watkins
Vice-President—Exploration

D. Tolgyesi
General Manager—Quebec and Mine Manager—
Lac Shortt Division

J. Desrosiers
Mine Manager—
Lac Dufault Division

T. A. Dickson
Mine Manager—
Winston Lake Division

M. Garon
Mine Manager—
Opemiska Division

A. Davidson
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Western Canada

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