Giant Yellowknife Mines Limited

Giant

1982 Annual Report

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Giant Yellowknife Mines Limited produces gold and a small quantity of silver from its wholly-owned Giant Mine and from the adjacent properties of its subsidiaries, Lolor Mines Limited and Supercrest Mines Limited (owned 87.5 per cent and 50.01 per cent respectively) at Yellowknife in the Northwest Territories.

Since mining started in 1948, more than 11 million tons of ore have been mined from both underground and open pit operations to produce 5.6 million ounces of gold and earnings of $71 million, of which $59 million (83 per cent) have been paid out as dividends to shareholders.

In 1982, the Corporation was engaged in underground exploration of a gold deposit at its Salmita property in the Northwest Territories, and surface exploration of a gold property in northern Saskatchewan.

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Head Office: P.O. Box 40, Commerce Court West, Toronto, Ontario M5L 1B4
Mine Office: Yellowknife, N.W.T. X1A 2M2

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Review in Brief

	1982	1981	1980
PRODUCTION			
Ore milled, tons	**403,580**	394,955	227,240
Grade of mill feed, ounces gold per ton	**0.210**	0.178	0.196
Gold recovered, ounces	**72,587**	58,678	38,285
FINANCIAL			
Gross value of production	**$35,519,000**	$31,204,000	$28,142,000
Operating costs	**28,674,000**	26,391,000	16,782,000
Operating income	**6,540,000**	4,563,000	11,168,000
Exploration expenditures	**3,622,000**	4,679,000	921,000
Income and mining royalty taxes	**371,000**	(206,000)	4,669,000
Net income (loss)	**1,456,000**	(199,000)	6,292,000
Earnings (loss) per share	**0.34**	(0.05)	1.46
Dividends paid per share	**nil**	0.25	1.00
Capital additions	**829,000**	3,178,000	2,342,000
Total assets	**23,740,000**	22,066,000	27,945,000
Working capital at end of year	**14,991,000**	13,053,000	15,977,000
Average price received per ounce of gold	**476.00**	524.00	730.00

ANNUAL MEETING OF SHAREHOLDERS
Tuesday, April 19, 1983 at 11:00 a.m. (E.S.T.)
Library, Royal York Hotel
Toronto, Canada

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Report of the Directors to the Shareholders

Your Directors are pleased to submit the 40th Annual Report, including the consolidated financial statements, for your Corporation and its subsidiaries, Lolor Mines Limited and Supercrest Mines Limited, for the year ended December 31, 1982.

Gold prices fell sharply in the first half of 1982 as a result of reduced industrial consumption and high interest rates, which discouraged speculative interest in the metal. During that period, prices dropped from a high of U.S.$481 per ounce in January to a low of U.S.$297 in June. Prices began to improve in the third quarter as interest rates in the United States and elsewhere started to decline significantly and investors returned to the gold market. Further price strengthening occurred as it became clear that higher than expected U.S. government deficits and potential loan defaults by foreign governments would place increasing pressure on the Western World financial system. At year end, the gold price reached U.S.$457 per ounce, and the average price received during 1982 was U.S.$387 (U.S.$440 in 1981).

In order to offset lower prices, your Corporation made a major effort during the year to obtain greater output of gold through mining of richer ore zones, improved grade control and better recoveries in the treatment plant. As a result, bullion production increased to 72,587 ounces for the year, compared with 58,678 ounces in the previous year. Throughput was 403,580 tons at 0.210 ounce gold per ton, up from the 394,955 tons at 0.178 ounce gold per ton in 1981, and treatment plant recoveries improved to 85.0 per cent from 83.4 per cent.

These improvements, combined with stronger gold prices in the last two quarters, enabled your Corporation to record revenues of $35,519,000 in 1982 ($31,204,000 in 1981) and consolidated earnings of $1,456,000, or $0.34 per share, compared with a loss of $199,000 or $0.05 per share in 1981. In view of the need to conserve cash for continued exploration and development, no dividends were declared and working capital increased to $14,991,000 from $13,053,000 at year end 1981.

Consolidated operating costs increased to $28,674,000, compared with $26,391,000 in 1981. Capital expenditures were reduced to $829,000 from $3,178,000 in 1981, and overall exploration expenditures decreased to $3,622,000 from $4,679,000 in the previous year.

Your Corporation pursued its aggressive exploration program at the Salmita gold property where underground drifting and drilling indicated mineable ore reserves. In other exploration, 11 diamond drill holes returned interesting gold values in a complexly folded iron formation at the Wedge Lake Project in northern Saskatchewan.

As at December 31, 1982, consolidated ore reserves were 980,000 tons grading 0.24 ounce gold per ton, versus 1,208,000 tons of the same grade in the prior year. A mining rate reduction has been planned for 1983 in order to obtain more complete recovery of the reserves, increase mine life and provide more time to develop new ore reserves through exploration.

A two-year collective agreement was negotiated with the Canadian Association of Smelter and Allied Workers, providing for an across-the-board increase of $1.05 per hour effective at the end of June, 1982 with a wage reopener in June of 1983. Some improvements were made to fringe benefits.

Considerable effort was again devoted to accident prevention and industrial health. A safety consultant from the Mine Safety Auditing Corporation was engaged to update an audit conducted in 1979 to aid further work in this important area.

The Directors wish to extend their appreciation to Mr. K. Blower, General Manager, and the employees whose efforts increased ounce production. Mr. A. H. Ransom, Exploration Manager and Coordinator of the Salmita Project, and the employees involved in the project are commended for completing the program on time and within budget. Appreciation is also expressed to shareholders, contractors, suppliers, and other individuals who have supported the Corporation during the year.

On behalf of the Board

D. J. Emery
President and Managing Director

Toronto, Canada
February 8, 1983

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Review of Operations

Consolidated Operating and Capital Costs

In view of lower gold prices, cost reduction measures were instituted during the year, including a decrease in the rate of diamond drilling; temporary suspension of underground exploration drifting; and a decrease in the amount of work done by contractors. However, overall costs rose to $28,674,000, or $71.05 per ton, from $26,391,000, or $66.82 per ton in 1981, due to higher costs for labour and energy related consumables, increased underground development in higher grade working areas, and expenditures of $1,400,000 on open pit stripping. Higher bullion output reduced the costs per ounce by 12 per cent to $395.02.

Capital expenditures were $829,000, compared with $3,178,000 in 1981. The most significant expenditures were for environmental purposes and included $169,000 to complete a new effluent treatment plant, and $342,000 to construct a new tailings dam.

Consolidated Ore Reserves

Ore reserves for Giant, Lolor and Supercrest are estimated at the end of each calendar year using the prevailing price of gold, anticipated operating costs, and expected mining dilution. As of December 31, 1982, the fully diluted ore reserves were estimated at 980,000 tons at a grade of 0.24 ounce gold per ton, compared with 1,208,000 tons of the same grade at December 31, 1981, for a reduction of 228,000 tons. This reduction reflects the tonnage mined during the year, offset by 175,000 tons of near surface ore that can be recovered by open pit methods.

A comprehensive study was completed during the year to establish an optimum mining rate for the existing tonnage and distribution of open pit and underground ore reserves. The study showed that, in order to obtain a more complete extraction of the indicated mineral inventory, the mining rate needs to be reduced from current levels to about 25,000 tons per month. It is planned to reduce the mining rate by the end of the first quarter of 1983. These plans will entail a reduction in the workforce, the exact extent of which has not yet been determined, but will provide employment for a longer period of time through extended mine life.

Diamond drilling from the 2,000-foot level in the Giant Mine was suspended pending completion of a thorough geological assessment of the property. A number of small, near surface occurrences, including one about a mile north of the Akaitcho shaft, are being studied to determine whether they can be added to the ore reserves. In the underground workings, mineral blocks indicated by past drilling are reviewed on a regular basis to determine their viability.

Mining Operations

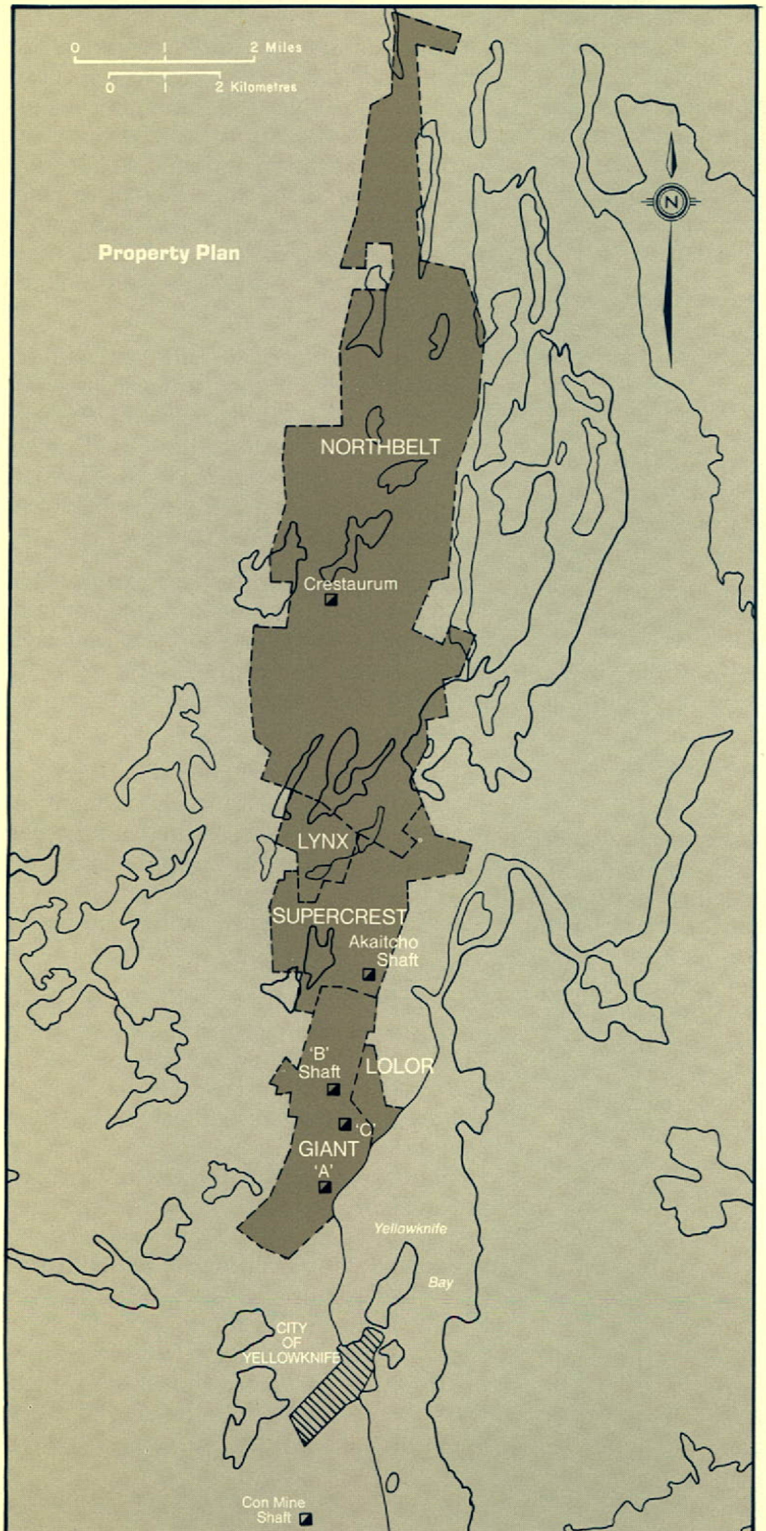
Giant Mine

Production from the Giant Mine amounted to 396,114 tons at a grade of 0.211 ounce gold per ton, compared with 385,276 tons at 0.177 ounce gold per ton in 1981. Mining of richer ore zones, improved grade control, and increased tonnage resulted in gold production of 71,153 ounces, versus 56,887 ounces in 1981. Open pits provided 24.5 per cent of the mill feed, compared with 27.0 per cent in the prior year.

Although operating expenditures rose to $71.02 per ton from $65.63 per ton in 1981, increased gold output reduced per ounce costs to $395.39 from $444.51 in the previous year. The operating profit at the mine in 1982 was $6,362,000, compared with $4,697,000 a year earlier.

Lateral advance totalled 16,838 feet (15,326 feet in 1981) and raising amounted to 2,613 feet (1,377 feet in 1981). Much of the drifting was necessary to develop higher grade ore zones. Diamond drilling was reduced to 28,571 feet from 53,633 feet in 1981, and was confined to producing areas of the mine to aid in stope development and grade control.

Ore reserves at December 31, 1982, were 945,000 tons grading 0.24 ounce gold per ton, versus 1,165,000 tons at 0.23 ounce gold per ton at year end 1981. The change represents tonnage mined, offset by additional open pit ore, which will be made available for mining by diversion of a small creek that runs through the property. Open pit ore now comprises 37 per cent of the consolidated reserve.



Lolor Mine
Output at the Lolor Mine was 7,466 tons at a grade of 0.216 ounce gold per ton, compared with 5,771 tons at 0.255 ounce gold per ton in 1981. Bullion output increased to 1,429 ounces from 1,162 ounces in the previous year.

Operating costs were $67.85 per ton ($65.64 in 1981) and $354.51 per ounce ($326.02 in 1981). Development work was minor during the year, and no diamond drilling was done.

Despite higher bullion output, the operating profit fell to $209,740 from $259,000 a year earlier, a reflection of higher overall costs and lower price.

At December 31, 1982, ore reserves were 8,000 tons at a grade of 0.21 ounce gold per ton, compared with 16,000 tons at 0.24 ounce gold per ton at the end of 1981.

Supercrest Mine
Production was temporarily suspended at year end 1981 in order to assess the profitability of mining remaining ore reserves at the prevailing gold prices. At present there are no plans to resume operations in 1983.

After diamond drilling expenditures to complete a program of ore definition from the 1,500-foot level, investment proceeds were sufficient to result in a net income of $70,000, compared with a loss of $111,000 in 1981.

As there was no mining, ore reserve tonnage remained unchanged in 1982 at 27,000 tons while grades have been recalculated more conservatively at 0.34 ounce gold per ton versus the 0.37 of the prior year.

Treatment Plant Operations
Gold recovery increased to 85.0 per cent for the year from 83.4 per cent in 1981. Tests conducted on the grinding circuits, the carbon recovery circuit and the treatment of final tailings showed that no significant amount of free gold escapes from the treatment plant. Results of other tests, which were undertaken to determine whether the final effluents contained dissolved gold, will lead to the design and installation of a new recovery circuit in 1983.

The effluent treatment plant performed satisfactorily during the year, but operating costs of $531,000 were higher than anticipated. Final quality of the effluent met the specifications for heavy metals, arsenic and suspended solids as set forth in the water licence issued by the Northwest Territories Water Board. Stack emissions remained below the Federally recommended limits for gases and particulates.

The tailings disposal area was extended by construction of the first phase of a new dam that will provide storage for an additional five years.

During 1982, 1,500 tons of arsenic trioxide, a roaster by-product used by manufacturers of wood preservatives, were shipped, compared with 1,205 tons in 1981. Test work was continued to determine the feasibility of recovering arsenic trioxide stored in underground workings, and further work is planned for 1983.

Exploration

Exploration work was conducted at the Salmita Project, 250 kilometres northeast of Yellowknife and on the Wedge Lake gold prospect in the Waddy Lake area of northern Saskatchewan.

Because of the Salmita and Wedge Lake commitments, all other exploration was reduced. The Hermitage joint venture in Newfoundland, a base and precious metals project, in which your Corporation's interest is 50 per cent, was terminated in 1982 as was the Clermont base metal joint venture in Quebec (50 per cent interest). Further work was suspended at the Regan Lake gold property in the Northwest Territories, and Arctic Precious Metals, Inc. (50 per cent owned by your Corporation and 50 per cent by United Keno Hill Mines Limited) did not continue its gold exploration in 1982. Total exploration expenditures were $3,622,000, of which $3,419,000 were spent on the Salmita project.

Salmita Project

The Salmita underground exploration program commenced in late 1981 and was successfully completed in July, 1982. Lateral development totalled 1,341 metres, and drifts were established on the vein at the 50 and 95-metre levels over strike lengths of 102 and 180 metres respectively. Eighteen diamond drill holes, totalling 2,076 metres, were drilled below the 95-metre level to test the vein for downward extensions to the 200-metre level.

The vein, as exposed in drifts and drill holes, has been determined to have an average width of 1.69 metres. It is divided into three steep-plunging shoots that exhibit a total strike length of approximately 160 metres. These shoots extend to a depth of at least 200 metres below surface and are untested below this level.

Total diluted ore reserves are estimated at 140,000 tonnes at a grade of 28.02 grams gold per tonne (154,000 tons at 0.817 ounce gold per ton). Exploration results to date indicate possibilities of discovering and developing more ore reserves.

The winter months of 1983 will be used to truck essential fuel, supplies and equipment to the property over lake ice, as there are no permanent roads into the area. A final production decision has been deferred pending acquisition of all necessary government licences and permits.

Outside Exploration

Exploration continued at the Wedge Lake gold project on a joint venture basis with the Saskatchewan Mining Development Corporation and Golden Rule Resources Ltd. Geological, geophysical and geochemical surveys were completed to locate drill targets. A drill program of 11 holes, totalling 1,360 metres, was completed in November to test coincidental geochemical and geophysical anomalies which are spatially associated with a complexly folded iron formation. Gold values encountered in the holes varied from 2.06 grams per tonne to 23.32 grams per tonne over drill intersected widths of one to 13 metres. The results are encouraging enough to warrant further work in the area to test the mineralized zone along strike and down dip.

No significant expenditures were made in Nevada and Utah under the Arctic Precious Metals Joint Venture. Geological staff visited the Bellview property in Nevada and reviewed the geology and drill hole information obtained in 1981. Further work is planned in 1983 at Bellview which is the only Arctic Precious Metals' property warranting additional investigation for the Carlin-type gold mineralization presently mined in the area.

Sudbury Basin Division

Metallurgical studies completed in 1981 showed that it is possible to produce saleable concentrates of copper, lead and zinc at satisfactory recovery levels from the deposit. However, further work has been postponed pending a sustained improvement in base metals prices.

To conform with the Canadian Metrication policy, all exploration work is expressed in metric measure. The following table is included for the convenience of shareholders.

1 short ton	0.907 metric ton (tonne)
1 metric ton (tonne)	1.1023 short ton
1 troy ounce	31.103 grams
1 troy ounce per ton	34.29 grams per tonne
1 foot	0.3048 metre
1 mile	1.609 kilometre
1 metre	39.37 inches
1 kilometre	0.621 mile

The shares of the Corporation are listed and traded on the Toronto and American Stock Exchanges, the latter being the principal market. The sale price and dividends paid for the following quarterly periods are as tabulated below.

1982	High	Low	Dividends Paid per Share in Canadian Funds
March 31	U.S.$ 8 7/8	U.S.$ 5 7/8	—
June 30	8 2/8	5	—
September 30	10 4/8	5 5/8	—
December 31	16 7/8	8 4/8	—
Number of shareholders — 7,016			

1981	High	Low	Dividends Paid per Share in Canadian Funds
March 31	U.S.$22 3/8	U.S.$15 4/8	25 cents
June 30	19 1/8	11 6/8	—
September 30	14 4/8	10 2/8	—
December 31	13 6/8	7 6/8	—
Number of shareholders — 7,236			

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Location Map

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Operations and Financial Summary

	1982	1981	1980	1979	1978
Giant					
Ore milled, tons	**396,114**	385,276	220,250	391,038	364,945
Gold recovered, ounces	**71,153**	56,887	36,699	69,570	85,049
Lolor					
Ore milled, tons	**7,466**	5,771	4,701	11,765	10,553
Gold recovered, ounces	**1,429**	1,162	1,114	2,080	3,028
(87.5 percent owned by Giant Yellowknife Mines Limited)					
Supercrest					
Ore milled, tons	**—**	3,908	2,289	13,453	21,159
Gold recovered, ounces	**5**	629	472	3,459	7,336
(50.01 percent owned by Giant Yellowknife Mines Limited)					
Consolidated					
Ore milled, tons	**403,580**	394,955	227,240	416,256	396,657
Average tons per day	**1,106**	1,082	621	1,140	1,087
Calculated mill heads (ounce gold per ton)	**0.21**	0.18	0.20	0.21	0.27
Mill recovery, percent	**85.00**	83.42	85.96	87.76	88.75
Total recovery					
Gold, ounces	**72,587**	58,678	38,285	75,109	95,413
Silver, ounces	**14,546**	9,315	6,898	14,373	24,778
Consolidated Financial Summary					
Net value of production	**$35,214,000**	$30,954,000	$27,950,000	$30,921,000	$22,183,000
Operating and administrative costs	**28,674,000**	26,391,000	16,782,000	18,112,000	15,753,000
Operating income before the undernoted items	**6,540,000**	4,563,000	11,168,000	12,809,000	6,430,000
Depreciation, depletion and amortization	**1,632,000**	1,613,000	498,000	424,000	724,000
Exploration expenses	**3,622,000**	4,679,000	921,000	1,068,000	661,000
Operating profit (loss)	**1,286,000**	(1,729,000)	9,749,000	11,317,000	5,045,000
Income from investments	**(600,000)**	(1,296,000)	(1,277,000)	(934,000)	(627,000)
Income and mining royalty taxes — current and deferred	**371,000**	(206,000)	4,669,000	3,651,000	1,742,000
Minority interest	**59,000**	(28,000)	65,000	285,000	199,000
Net income (loss)	**$ 1,456,000**	$ (199,000)	$ 6,292,000	$ 8,315,000	$ 3,731,000
Earnings (loss) per share	**$0.34**	$(0.05)	$1.46	$1.93	$0.87
Dividends paid per share	**$Nil**	$0.25	$1.00	$0.60	$0.50
Total assets	**$23,740,000**	$22,066,000	$27,945,000	$22,902,000	$15,808,000
Working capital	**$14,991,000**	$13,053,000	$15,977,000	$15,765,000	$10,753,000
Average price per ounce of gold	**$476.00**	$524.00	$730.00	$412.00	$233.00
Operating and administrative costs per ton	**$71.05**	$66.82	$73.85	$43.51	$39.71

Table showing year end estimates of ore reserves (000 tons)

	1982		1981		1980		1979		1978	
	Tons	Grade Oz. Gold per ton	Tons	Grade Oz. Gold per ton	Tons	Grade Oz. Gold per ton	Tons	Grade Oz. Gold per ton	Tons	Grade Oz. Gold per ton
Giant:										
Active Stopes	**399**	**0.28**	628	0.25	1,221	0.20	1,412	0.20	790	0.28
Other Developed Ore	**179**	**0.23**	295	0.22	485	0.20	312	0.21	135	0.29
Open Pits	**367**	**0.20**	242	0.21	252	0.20	283	0.21	248	0.23
Total Giant	**945**	**0.24**	1,165	0.23	1,958	0.20	2,007	0.20	1,173	0.27
Lolor:										
Active Stopes	**8**	**0.21**	7	0.24	11	0.23	15	0.22	16	0.25
Other Developed Ore	**—**	**—**	9	0.24	12	0.23	7	0.26	—	—
Total Lolor	**8**	**0.21**	16	0.24	23	0.23	22	0.23	16	0.25
Supercrest:										
Active Stopes	**—**	**—**	—	—	12	0.31	13	0.31	15	0.39
Other Developed Ore	**27**	**0.34**	27	0.37	12	0.35	12	0.35	12	0.35
Total Supercrest	**27**	**0.34**	27	0.37	24	0.33	25	0.33	27	0.37
Total developed ore at year end	**980**	**0.24**	1,208	0.24	2,005	0.21	2,054	0.21	1,216	0.27

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Summary of 1982, 1981 and 1980 Consolidated Results by Quarters

(Unaudited)

	1982				
	Three Months Ended				
Operating Record	**March 31**	**June 30**	**Sept. 30**	**Dec. 31**	**Total**
Ore milled, tons	99,641	101,364	98,946	103,629	403,580
Average per day, tons	1,107	1,114	1,076	1,127	1,106
Average mill heads per ton (note 3)	0.217	0.190	0.213	0.226	0.210
Gold recovered, ounces	18,318	16,396	17,727	20,146	72,587
Silver recovered, ounces	2,705	3,064	4,279	4,498	14,546
Statement of Earnings (000 omitted)					
Revenue from bullion production (less marketing charges)	$ 8,010	$ 6,765	$ 9,259	$ 11,180	$ 35,214
Operating and administrative expenses	7,485	7,946	6,419	6,824	28,674
Operating income (loss)	525	(1,181)	2,840	4,356	6,540
Depreciation and amortization	438	472	456	266	1,632
Exploration expenses	1,010	1,507	572	533	3,622
	1,448	1,979	1,028	799	5,254
	(923)	(3,160)	1,812	3,557	1,286
Non-operating revenue (loss) (note 4)	184	47	170	199	600
	(739)	(3,113)	1,982	3,756	1,886
Income and mining royalty taxes — current and deferred	(319)	(27)	55	662	371
	(420)	(3,086)	1,927	3,094	1,515
Minority interest in earnings of subsidiary companies	8	13	22	16	59
Earnings (loss) for the period	$ (428)	$ (3,099)	$ 1,905	$ 3,078	$ 1,456
Earnings (loss) per share	$ (0.10)	$ (0.72)	$ 0.44	$ 0.72	$ 0.34
Average price per ounce of gold produced (note 3)	$ 410.00	$ 404.00	$ 512.00	$ 562.00	$ 476.00

Note: (1) Revenue from metal production at December 31, includes unsold gold.

	1982	1981	1980
— ounces	17,000	13,000	5,000
— valuation/ounce	$ 542.00	$ 472.00	$ 627.00
(2) Canadian/U.S. dollar exchange rate at December 31	$ 1.23	$ 1.19	$ 1.19

(3) The third quarter 1980 average gold price per ounce produced and grade has increased significantly due to the draining of the milling circuit necessitated by the strike. Subsequently, replenishing the circuit has decreased the fourth quarter average gold price and grade.

(4) Non-operating revenue includes a writedown in the carrying value of certain marketable securities of $19,335 (1981, $549,500, 1980, $562,500).

1981					1980				
Three Months Ended					Three Months Ended				
March 31	June 30	Sept. 30	Dec. 31	Total	March 31	June 30	Sept. 30	Dec. 31	Total
86,195	98,744	105,987	104,029	394,955	101,161	77,434	8,067	40,578	227,240
958	1,085	1,152	1,131	1,082	1,112	851	88	441	621
0.183	0.170	0.176	0.179	0.178	0.207	0.209	0.286	0.126	0.196
13,267	14,001	15,362	16,048	58,678	18,156	13,519	1,984	4,626	38,285
1,928	1,942	2,639	2,806	9,315	2,718	2,298	446	1,436	6,898
$ 7,918	$ 7,006	$ 8,306	$ 7,724	$ 30,954	$ 13,155	$ 9,481	$ 2,153	$ 3,161	$ 27,950
5,917	6,327	6,347	7,800	26,391	5,395	4,584	2,271	4,532	16,782
2,001	679	1,959	(76)	4,563	7,760	4,897	(118)	(1,371)	11,168
347	389	296	581	1,613	191	211	81	15	498
173	886	1,266	2,354	4,679	101	176	257	387	921
520	1,275	1,562	2,935	6,292	292	387	338	402	1,419
1,481	(596)	397	(3,011)	(1,729)	7,468	4,510	(456)	(1,773)	9,749
517	252	(65)	592	1,296	246	488	212	331	1,277
1,998	(344)	332	(2,419)	(433)	7,714	4,998	(244)	(1,442)	11,026
658	(133)	207	(938)	(206)	2,970	1,791	102	(194)	4,669
1,340	(211)	125	(1,481)	(227)	4,744	3,207	(346)	(1,248)	6,357
3	3	(29)	(5)	(28)	74	8	(2)	(15)	65
$ 1,337	$ (214)	$ 154	$ (1,476)	$ (199)	$ 4,670	$ 3,199	$ (344)	$ (1,233)	$ 6,292
$ 0.31	$ (0.05)	$ 0.04	$ (0.35)	$ (0.05)	$ 1.09	$ 0.74	$ (0.08)	$ (0.29)	$ 1.46
$ 604.00	$ 513.00	$ 516.00	$ 481.00	$ 524.00	$ 725.00	$ 701.00	$1,085.00	$ 683.00	$ 730.00

Management's Discussion and Analysis of Financial Condition and Results of Operations

Analysis of Financial Condition

Liquidity

The financial condition of Giant Yellowknife Mines Limited (the Corporation) strengthened during the year, with working capital increasing by $1,938,000 to $14,991,000 as at December 31, 1982 as compared with a decrease of $2,924,000 during 1981. Funds generated from operations during the year amounted to $2,767,000 up from the 1981 level of $1,049,000.

The principal reasons for the increase in funds were significantly higher bullion production and lower exploration expenditures partially offset by decreased gold prices received, higher operating costs and lower investment income. Capital additions of $829,000 as compared with $3,178,000 during 1981 accounted for the major utilization of funds in 1982.

Even after funding the current year's exploration programme of $3,419,000 on the Salmita project, cash and marketable securities remained virtually unchanged from last year at $5,423,000 as compared with $5,559,000 at the end of 1981.

In 1981, the working capital of the Corporation decreased by $2,924,000 over 1980 to a closing position of $13,053,000 reflecting capital asset additions of $2,434,000 at the Corporation's Yellowknife property and $744,000 on the Salmita project, and a dividend payment of $1,076,000 ($0.25 per share). Funds generated from operations in 1981 amounted to $1,049,000 down from the 1980 level of $7,282,000 as a result of lower average gold prices and a substantial increase in exploration due mainly to the requirements of the Salmita project. Closing cash and marketable securities decreased in 1981 by $11,476,000 to $5,559,000 primarily as a result of financing the build up of the bullion inventory pipeline necessitated by the resumption of operations in late 1980 following a labour interruption, the payment of 1980 federal and royalty tax liabilities, funding the exploration programme and the payment of dividends.

Capital Resources

The capitalization of the Corporation remained unchanged during 1982 and 1981 and at this time no changes are anticipated for 1983.

The Corporation has a $10,000,000 line of credit with a Canadian bank which was negotiated in 1981. There is no commitment fee on the unused portion of the line and drawings against the line attract interest at the bank's prime lending rate. The line of credit may be withdrawn at the bank's discretion. To date, the company has not utilized the credit facility.

Analysis of Results of Operations

The following paragraphs set forth a discussion of the consolidated statement of earnings for the three years ended December 31, 1982. Please refer to the notes to the consolidated financial statements for a detailed discussion of the accounting policies that are an integral element in evaluating these results.

Consolidated earnings for the year 1982 amounted to $1,456,000 or $0.34 per share as compared with a loss of $199,000 or $0.05 per share in 1981 and earnings of $6,292,000 or $1.46 per share in 1980. Significantly higher bullion production, 72,587 ounces of gold in 1982 as compared with 58,678 ounces in 1981, along with a $1,057,000 decrease in exploration expenditures over 1981, contributed favourably to the improved 1982 results as compared with 1981. Conversely a decrease in gold prices received, which averaged $476 per ounce in 1982 as compared with $524 in 1981, higher operating costs in 1982 and a decrease in investment income, impacted unfavourably on consolidated earnings in 1982 when compared with 1981.

During 1982, revenue from bullion production increased by $4,315,000 over 1981 levels. Increased production in 1982 resulted in a favourable volume variance of $7,583,000, while declining gold prices resulted in an unfavourable price variance of $3,268,000.

Operating, administrative and corporate expenditures for 1982 were $28,674,000 or $71.05 per ton milled compared with $26,391,000 or $66.82 per ton milled in 1981. Increased costs for energy related consumables, labour, open pit stripping and underground development of higher grade working areas resulted in an unfavourable spending variance of $5.66 per ton milled. However, this increased spending variance was partially offset by a favourable volume variance of approximately $1.43 per ton milled.

In comparing 1981 results with 1980, the principal reasons for the reduced consolidated earnings were a decrease in gold prices received and an increase in exploration expenditures only partially offset by increased production in 1981 relative to 1980. The 1980 production level was adversely affected by a strike.

Operating, administrative and corporate expenditures increased in 1981 as compared with 1980 by $11,480,000 after excluding property maintenance costs incurred during the 1980 strike. On a spending volume basis, there was an increased spending variance of $29.07 per ton milled and a favourable volume variance, due to the strike in 1980, of $27.87 per ton milled.

Exploration expenditures at $3,622,000 in 1982 decreased from $4,679,000 in 1981. The major area of emphasis during 1982 as in 1981 was on the Salmita project where $3,419,000 was spent for exploration to determine whether the property has sufficient ore reserves to warrant a production decision. Other exploration at $203,000 in 1982 was down significantly from the $1,418,000 incurred in 1981. Both 1982 and 1981 expenditures on exploration were significantly in excess of the level of activity for 1980 reflecting primarily the demands of the Salmita project.

Increased costs incurred for management and technical services utilized by the Corporation from Falconbridge Limited were another factor in the higher expenditures for operations and Salmita exploration. In 1982, these charges amounted to approximately $652,000 as compared with $323,000 in 1981 and $210,000 in 1980.

Depreciation expense at $1,632,000 in 1982 was comparable with the 1981 level of $1,613,000 and both years were significantly higher than the $498,000 charged against operations in 1980. Since the capital assets of the Corporation are depreciated on the unit of production basis, the increased charge for depreciation in 1982 and 1981 was a reflection of the lower year end ore reserves in each year when compared with 1980.

Income from investments during 1982 was $600,000 compared with $1,296,000 and $1,277,000 in 1981 and 1980 respectively. The decreased investment income in 1982 relative to 1981 and 1980 essentially reflects lower average cash balances throughout the year.

Income and mining royalty taxes in 1982 were $371,000 or 19.7% of the pre-tax income as compared with a recovery of $206,000 in 1981 or 47.6% of the pre-tax loss and expense of $4,669,000 or 42.4% of the pre-tax income in 1980. Due to the influence on the tax rates of the resource and earned depletion allowances for income tax purposes and the processing allowance for mining royalty taxes, the effective tax rates for the Corporation fluctuate from year-to-year. Non-allowable expenses and non-mining income also create year-to-year fluctuations. Note 5 to the financial statements identifies the reasons for the fluctuations between the last three years as well as summarizing the changes in the timing differences.

Comment on the Impact of Inflation

In recent years, there has been growing concern over the impact of inflation on business. As a result, historical dollar accounting (as reflected in the consolidated financial statements) does not reflect the cumulative effects of increasing costs and changes in the purchasing power of the dollar.

Inflation has a particularly problematic effect on your Corporation. Because the selling price of gold is influenced by international events and changing market conditions, rising or falling prices do not necessarily cushion the effects of inflation on the Corporation's operating costs. Consequently, the Corporation cannot counter rising costs of production by increasing prices but alternatively it must continually recognize the effects of inflation by reassessing its operations during the budgeting and financial forecasting processes.

In the extractive industry, ore reserves are a significant hedge against inflation. As the price of gold rises, lower grades of ore can be added to the reserve category since exploitation of these reserves will become more economically viable. Conversely, as the price of gold falls, lower grades of ore are removed from the reserve category as these grades can no longer be economically processed. As a result, the Corporation must deal with rising costs and fluctuating gold prices by continually searching for and implementing more cost efficient methods of mining and processing technologies.

Giant Yellowknife Mines Limited

(Incorporated under the laws of Ontario)
and its subsidiary companies

Consolidated Balance Sheet

As at December 31, 1982 and 1981

ASSETS	1982	1981
	(000's)	(000's)
CURRENT ASSETS		
Cash and short term bank deposits	$ 5,423	$ 3,151
Marketable securities, at the lower of cost and market value (note 3)		2,408
Bullion (note 2)	9,269	6,295
Accounts and accrued interest receivable	304	794
Income taxes recoverable	472	457
Supplies	2,504	2,399
Prepaid expenses and deposits	47	38
	18,019	15,542
FIXED ASSETS		
Property, plant and equipment, at cost	24,741	23,913
Less accumulated depreciation	20,703	19,072
	4,038	4,841
Non-producing assets		
Mining claims and properties, at cost	792	792
Salmita project, at cost	744	744
	5,574	6,377
OTHER ASSETS		
Shares in and advances to other mining companies, at cost less amount written off	147	147
	$ 23,740	$ 22,066

Auditors' Report

To the Shareholders of
Giant Yellowknife Mines Limited

We have examined the consolidated balance sheet of Giant Yellowknife Mines Limited as at December 31, 1982 and 1981 and the consolidated statements of income, retained earnings and changes in financial position for the three years ended December 31, 1982. 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, 1982 and 1981 and the results of its operations and the changes in its financial position for the three years ended December 31, 1982, in accordance with generally accepted accounting principles applied on a consistent basis.

Toronto, Canada
January 21, 1983

Thorne Riddell
Chartered Accountants

LIABILITIES	**1982**	1981
	(000's)	(000's)
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	**$ 2,356**	$ 2,374
Government mining royalty taxes payable	**3**	23
Deferred income taxes	**669**	92
	3,028	2,489
DEFERRED INCOME AND MINING ROYALTY TAXES (note 5)		380
MINORITY INTEREST		
Interest of minority shareholders in subsidiary companies	**563**	504
SHAREHOLDERS' EQUITY		
CAPITAL STOCK		
Authorized — 4,500,000 shares without par value		
Issued — 4,303,050 shares	**5,700**	5,700
CONTRIBUTED SURPLUS	**2,637**	2,637
RETAINED EARNINGS	**11,812**	10,356
	20,149	18,693
	$ 23,740	$ 22,066

Approved by the Board

Director

J. Douglas Stuart Director

Giant

Consolidated Statement of Income

Years Ended December 31, 1982, 1981 and 1980

	1982	1981	1980
	(000's)	(000's)	(000's)
Revenue			
Bullion production	**$ 35,519**	$ 31,204	$ 28,142
Deduct marketing expenses	**305**	250	192
	35,214	30,954	27,950
Expenses			
Operating	**27,991**	25,933	14,457
Property maintenance costs during strike			1,871
Administrative and corporate	**683**	458	454
	28,674	26,391	16,782
Operating income before the undernoted items	**6,540**	4,563	11,168
Depreciation	**1,632**	1,613	498
Salmita exploration	**3,419**	3,261	
Other exploration	**203**	1,418	921
	5,254	6,292	1,419
Operating income (loss)	**1,286**	(1,729)	9,749
Income from investments (note 3)	**600**	1,296	1,277
	1,886	(433)	11,026
Income and mining royalty taxes (note 5)			
Current	**174**	74	5,543
Deferred (reduction)	**197**	(280)	(874)
	371	(206)	4,669
	1,515	(227)	6,357
Minority interest in net income (loss) of subsidiary companies	**59**	(28)	65
NET INCOME (LOSS)	**$ 1,456**	$ (199)	$ 6,292
EARNINGS (LOSS) PER SHARE	**$ 0.34**	$ (0.05)	$ 1.46

Consolidated Statement of Retained Earnings

Years Ended December 31, 1982, 1981 and 1980

	1982	1981	1980
	(000's)	(000's)	(000's)
BALANCE AT BEGINNING OF YEAR	**$ 10,356**	$ 11,631	$ 9,642
Net income (loss)	**1,456**	(199)	6,292
	11,812	11,432	15,934
Dividends — $nil per share ($0.25 in 1981 and $1.00 in 1980)		1,076	4,303
BALANCE AT END OF YEAR	**$ 11,812**	$ 10,356	$ 11,631

Giant

Consolidated Statement of Changes in Financial Position

Years Ended December 31, 1982, 1981 and 1980

	1982 (000's)	1981 (000's)	1980 (000's)
WORKING CAPITAL DERIVED FROM			
Operations			
Net income (loss)	**$ 1,456**	$ (199)	$ 6,292
Add (deduct) items not involving working capital			
Depreciation	**1,632**	1,613	498
Deferred income and mining royalty taxes	**(380)**	(53)	433
Gain on disposal of fixed assets		(284)	(6)
Minority interest in net income (loss) of subsidiary companies	**59**	(28)	65
	2,767	1,049	7,282
Proceeds on disposal of fixed assets		300	10
	2,767	1,349	7,292
WORKING CAPITAL APPLIED TO			
Dividends		1,076	4,303
Additions to property, plant and equipment	**829**	2,434	2,342
Additions to mining claims			250
Additions to Salmita project		744	
Dividends to minority shareholders of subsidiary companies		19	185
	829	4,273	7,080
INCREASE (DECREASE) IN WORKING CAPITAL	**$ 1,938**	$ (2,924)	$ 212
Changes in components of working capital			
Increase (decrease) in current assets			
Cash and marketable securities	**$ (136)**	$(11,476)	$ 9,148
Bullion	**2,974**	2,926	(6,683)
Supplies	**105**	262	359
Other current assets	**(466)**	860	129
	2,477	(7,428)	2,953
Increase (decrease) in current liabilities			
Accounts payable and accrued liabilities	**(18)**	102	429
Government mining royalty taxes payable	**(20)**	(3,702)	2,998
Deferred income taxes	**577**	(227)	(1,307)
Dividends payable		(677)	621
	539	(4,504)	2,741
INCREASE (DECREASE) IN WORKING CAPITAL	**1,938**	(2,924)	212
WORKING CAPITAL AT BEGINNING OF YEAR	**13,053**	15,977	15,765
WORKING CAPITAL AT END OF YEAR	**$ 14,991**	$ 13,053	$ 15,977

Notes to Consolidated Financial Statements

December 31, 1982, 1981 and 1980

1. ACCOUNTING POLICIES

The consolidated financial statements of the company have been prepared by management in accordance with accounting principles generally accepted in Canada, consistently applied. For the purposes of these statements accounting policies are in conformity, in all material respects, with accounting policies generally accepted in the United States. The significant accounting policies followed by the company are summarized hereunder to facilitate review of the consolidated financial statements.

(a) Basis of consolidation
The consolidated financial statements include the accounts of Lolor Mines Limited and Supercrest Mines Limited of which the company holds 87.5% and 50.01% respectively of the outstanding common shares.

(b) Revenue recognition
Bullion is valued at estimated net realizable value and revenue is recorded in the accounts on completion of production based upon anticipated metal prices or forward sales commitments.

(c) Supplies
Stores and operating supplies are valued at the lower of average cost and replacement cost.

(d) Fixed assets
Fixed assets are accounted for as follows:
- (i) all fixed assets are recorded at cost. Investment tax credits related to plant and equipment expenditures are recorded as a reduction of the cost of the related asset;
- (ii) depreciation on property, plant and equipment is provided for on the unit of production basis;
- (iii) the non-producing assets represent land in the Town of Yellowknife, Sudbury Basin land and mining claims. The Salmita project includes expenditures for mobile capital equipment;
- (iv) repairs and maintenance expenditures are charged against earnings, major betterments and replacements are capitalized; and
- (v) upon sale or abandonment the cost of the fixed assets and related accumulated depreciation or depletion are removed from the accounts and any gains or losses thereon are taken into earnings.

(e) Exploration
Exploration costs incurred to the date of establishing that a property has reserves which have the potential of being economically recoverable are charged against earnings.

(f) Retirement plans
The costs of retirement plans are charged against earnings in the year required fundings are payable and include amounts for current service and amortization of past service costs. Past service costs are generally being amortized and funded over periods of up to fifteen years.

(g) Income and mining royalty taxes
The company follows the deferral method of applying the tax allocation basis of accounting for income and mining royalty 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 provisions for deferred taxes. These are segregated in the deferred income and mining royalty tax accounts at year end.

(h) Segmented information
The company's dominant industry is gold mining that is carried out in the Northwest Territories of Canada.

2. BULLION

Bullion includes approximately 17,000 troy ounces of gold (1981, 13,000 troy ounces). The estimated net realizable value of bullion on hand has been determined using a value for gold of Cdn. $542 per ounce (1981, Cdn. $472 per ounce).

3. MARKETABLE SECURITIES

The carrying value of certain marketable securities has been written down to market value resulting in a reduction of income from investments of $19,335 (1981, $549,500; 1980, $562,500).

4. RETIREMENT PLANS

The company maintains retirement plans for its employees. Total pension expense for the year was $582,000 (1981,$402,000, 1980, $445,000) including past service costs of approximately $236,000 (1981, $123,000, 1980, $227,000). Based on an actuarial evaluation at January 1, 1983, which valued the present value of future benefits on a revised interest rate, the unfunded past service costs at December 31, 1982 are estimated to amount to approximately $25,000 (1981, $873,000, 1980, $787,000). The present intention of the company is to provide for the unfunded past service costs over periods of up to fifteen years.

5. INCOME AND MINING ROYALTY TAXES

The provisions for income and mining royalty taxes for the years 1982, 1981 and 1980 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 after deducting available resource, depletion and processing allowance ($000 omitted):

	1982		1981		1980	
	Income tax	**Mining royalty tax**	Income tax	Mining royalty tax	Income tax	Mining royalty tax
(a) Pre-tax earnings (loss) as reported	**$ 1,886**	**$ 1,886**	$ (433)	$ (433)	$11,026	$11,026
less non-mining income		**600**		1,296		1,277
Earnings subject to tax	**$ 1,886**	**$ 1,286**	$ (433)	$(1,729)	$11,026	$ 9,749
Statutory tax rates	**47.8%**	**3.0%**	(47.8%)	(5.2%)	47.8%	5.2%
Tax at statutory rates	**$ 902**	**$ 39**	$ (207)	$ (90)	$ 5,270	$ 507
Adjust for tax effect of						
Resource allowance	**(589)**		(449)		(1,290)	
Depletion allowance					(185)	
Processing allowance		**(31)**		(50)		(49)
Non-allowable expenses	**72**	**22**	418	91	373	72
Other	**(50)**	**6**	58	23	(13)	(16)
Tax provided in the accounts	**$ 335**	**$ 36**	$ (180)	$ (26)	$ 4,155	$ 514
	$ 371		$ (206)		$ 4,669	
Effective tax rates on reported pre-tax earnings (loss)	**17.8%**	**1.9%**	(41.6%)	(6.0%)	37.7%	4.7%
	19.7%		(47.6%)		42.4%	

(b) The provision for deferred tax expense results from timing differences between the period when income or expenses are reported for tax purposes and the period when they are recorded in the accounts. The sources and tax effect of these differences are as follows ($000 omitted):

	1982	1981		1980	
	Income tax	Income tax	Mining royalty tax	Income tax	Mining royalty tax
Long term timing differences					
Excess of capital cost allowance for tax purposes over depreciation in the accounts	**$ (302)**	$ 281	$ (567)	$ 1,164	$ 567
Exploration costs expensed in the accounts in excess of claim for tax purposes	**(852)**	(636)			
Other	**93**	302		(52)	
Total long term timing differences	**$(1,061)**	$ (53)	$ (567)	$ 1,112	$ 567
Long term deferred tax expense (reduction) recognized in the accounts	**$ (380)**	$ (19)	$ (34)	$ 399	$ 34
Effective rate of provision	**(35.8%)**	(35.8%)	(6.0%)	35.8%	6.0%
Current timing differences					
Bullion recorded in the accounts at net realizable value and recognized for tax purposes at cost of production	**$ 1,936**	$ (831)		$(4,803)	
Current deferred tax expense (reduction) recognized in the accounts	**$ 577**	$ (227)		$(1,307)	
Effective rate of provision	**29.8%**	(27.2%)		(27.2%)	
	$ 197	$ (246)	$ (34)	$ (908)	$ 34
Total deferred tax expense (reduction) recognized in the accounts	**$ 197**	$ (280)		$ (874)	

At December 31, 1982 deferred taxes on the balance sheet amount to $669,000 (1981, $472,000). This amount will be reflected as a component of current tax expense in subsequent years as timing differences are reversed.

6. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

Direct remuneration of directors and senior officers, as defined by The Business Corporations Act of Ontario, amounted to $411,000 (1981, $388,000, 1980, $377,000).

7. RELATED PARTY TRANSACTIONS

Falconbridge Limited (Falconbridge) owns 19.16% of the common shares of the company and consequently many of the companies within the Falconbridge organization are related parties. As part of normal business transactions, the company makes use of Falconbridge's management and technical services. During the year the charges for these services aggregated approximately $652,000 (1981, $323,000, 1980, $210,000).

The company engages in exploration for minerals as a joint venture participant with members of the Falconbridge group, at cost proportionate to its interest in the various projects.

8. BANK BORROWING ARRANGEMENTS

The company has a $10,000,000 line of credit with a Canadian bank. The interest rate for drawings under this line is the bank's prime lending rate. There is no commitment fee and the line may be withdrawn at the bank's discretion.

9. SALMITA PROJECT

The exploration phase of the Salmita project was completed in 1982 and the company has applied for government licences and permits necessary for production. In January 1983, the company commenced arrangements to move to the project site operating supplies and equipment required for the next phase of the project. Upon receipt of the licences and permits, a final decision as to whether or not to proceed to production will then be made.

Giant

Comparative Statement of Production and Earnings

Fiscal Year Ended May 31	Ore Milled Tons	Calculated Mill Heads Oz. Gold Per Ton	Estimated E.G.M.A. Assistance	Net Value of Metals Recovered	Average Price Per Ounce of Gold	Operating Cost
1949	84,886	0.815	$ 511,020	$ 1,962,340	$ 35.00	$ 1,467,133
1950	126,214	0.708	354,326	2,986,457	37.46	1,826,453
1951	151,814	0.842	267,874	4,158,038	37.35	1,997,073
June 30						
1952	165,846	0.755	615,000	3,854,137	35.79	2,650,614
1953	245,559	0.846	680,000	6,012,389	34.20	3,541,221
1954	275,985	0.785	965,000	6,045,327	34.26	3,668,151
1955	286,742	0.761	700,000	5,876,857	34.16	3,890,978
1956	297,582	0.765	120,000	6,235,926	34.76	4,236,385
1957	309,673	0.795	105,000	6,396,699	33.75	4,183,517
1958	289,220	0.795	340,000	5,331,448	33.85	3,852,120
1959	321,002	0.784	280,000	6,397,770	33.81	3,998,047
June 29						
1960	361,601	0.784	13,687	7,649,230	33.50	4,266,972
Dec. 31						
1960	181,101	0.795	....	4,080,679	34.63	2,480,960
1961	366,515	0.779	....	8,507,473	35.73	4,613,087
1962	375,820	0.763	....	9,445,300	37.56	4,618,728
1963	388,190	0.713	....	9,254,173	37.76	4,603,936
1964	400,606	0.745	....	10,120,070	37.62	4,581,045
1965	395,001	0.722	....	9,565,401	37.68	4,910,109
1966	384,271	0.652	....	8,517,823	37.99	5,121,314
Consolidated						
1967	319,876	0.670	....	7,204,874	37.99	4,957,864
1968	374,717	0.634	265,000	8,739,180	41.60	5,930,179
1969	399,647	0.640	427,000	9,824,021	42.78	7,234,123
1970	424,774	0.607	1,059,000	8,328,261	36.47	7,478,392
1971	403,819	0.621	783,000	8,350,188	38.47	7,592,381
1972	401,272	0.561	....	11,990,328	59.87	8,425,758
1973	389,460	0.459	....	17,054,358	108.00	9,013,649
1974	328,099	0.355	....	16,382,316	162.00	10,945,874
1975	391,969	0.286	....	15,377,970	157.00	13,037,200
1976	428,154	0.281	....	12,991,075	122.00	12,164,586
1977	446,192	0.271	....	17,298,657	164.00	12,794,269
1978	396,657	0.271	....	22,183,323	233.00	15,752,655
1979	416,256	0.206	....	30,920,686	412.00	18,112,219
1980	227,240	0.196	....	27,949,954	730.00	16,782,787
1981	394,955	0.178	....	30,953,840	524.00	26,391,325
1982	403,580	0.210	....	35,213,270	476.00	28,673,269
	11,554,295	0.577	$7,485,907	$403,159,838	$ 71.86	$275,794,373

Operating Cost Per Ton	Operating Income	Operating Income Per Ton	Amortization and Outside Exploration	Non-Operating Income	Income and Mining Royalty Tax	Minority Interest	Net Income	Dividends Declared
$ 17.28	$ 1,006,227	$ 11.85	$ 859,567	$ 6,790	$	$	$ 153,450	$ ....
14.47	1,514,330	12.00	1,039,854	5,237	....	....	479,713	....
13.15	2,428,839	16.00	1,254,505	6,334	....	....	1,180,668	....
15.98	1,818,523	10.97	1,659,109	7,981	7,956	....	159,439	....
14.42	3,151,168	12.83	1,673,329	4,906	20,325	....	1,462,420	800,000
13.29	3,342,176	12.11	1,854,444	22,793	48,300	....	1,462,225	1,600,000
13.57	2,685,879	9.37	1,738,576	14,728	26,000	....	936,031	1,400,000
14.24	2,119,541	7.12	1,354,636	71,219	48,000	....	788,124	1,200,000
13.51	2,318,182	7.49	1,355,458	51,901	55,000	....	959,625	600,000
13.32	1,819,328	6.29	1,118,946	59,919	24,000	....	736,301	1,200,000
12.45	2,679,723	8.35	1,096,477	51,060	135,000	....	1,499,306	1,200,000
11.80	3,395,945	9.39	1,243,404	103,858	562,000	....	1,694,399	1,800,000
13.70	1,599,719	8.83	829,368	86,158	49,000	....	807,509	860,541
12.59	3,894,386	10.63	1,579,897	160,058	142,300	....	2,332,247	1,936,290
12.29	4,826,572	12.84	1,029,749	245,321	94,523	....	3,947,621	3,012,027
11.86	4,650,237	11.98	879,752	308,635	155,000	....	3,924,120	4,302,903
11.44	5,539,025	13.83	855,679	332,850	208,000	....	4,808,196	4,302,910
12.43	4,655,292	11.79	802,319	449,827	757,000	....	3,545,800	4,302,917
13.33	3,396,509	8.84	979,060	308,537	690,000	....	2,035,986	2,581,752
15.50	2,247,010	7.02	948,305	363,849	333,000	(38,458)	1,368,012	1,721,167
15.83	3,074,001	8.20	721,400	358,715	795,000	12,267	1,904,049	1,721,168
18.10	3,016,898	7.55	837,589	355,624	700,300	(65,372)	1,900,005	1,721,168
17.61	1,908,869	4.49	728,703	396,451	272,300	(30,951)	1,335,268	1,721,168
18.80	1,540,807	3.82	965,039	302,475	70,400	45,930	761,913	1,721,168
21.00	3,564,570	8.88	1,148.922	257,777	702,000	502,039	1,469,386	1,721,168
23.14	8,040,709	20.65	986,013	642,789	2,697,000	729,017	4,271,468	2,581,753
33.36	5,436,442	16.57	808,239	847,235	1,810,000	786,679	2,878,759	2,151,461
33.26	2,340,770	5.97	2,049,556	689,737	416,000	259,594	305,357	1,721,168
28.41	826,489	1.93	1,232,972	432,353	118,279	93,748	(186,157)	430,292
28.67	4,504,388	10.10	1,228,217	468,025	952,090	340,877	2,451,229	645,458
39.71	6,430,668	16.21	1,384,491	626,853	1,742,300	199,544	3,731,186	2,151,525
43.51	12,808,467	30.77	1,492,156	934,474	3,651,000	284,667	8,315,118	2,581,830
73.85	11,167,167	49.14	1,418,987	1,277,427	4,669,380	64,595	6,291,632	4,303,050
66.82	4,562,515	11.55	6,291,777	1,296,421	(205,912)	(28,136)	(198,793)	1,075,763
71.05	6,540,001	16.20	5,253,923	600,216	371,400	58,876	1,456,018	....
$ 23.87	$134,851,372	$ 11.67	$50,700,418	$12,148,533	$22,116,941	$3,214,916	$70,967,630	$59,068,647

Giant

DIRECTORS

*C. R. Archibald, Q.C.**
Partner, Law Firm of Strathy, Archibald & Seagram

H. H. Bird
Director of Development
Falconbridge Limited

D. R. Derry, O.C.
Partner, Derry, Michener, Booth & Wahl

D. J. Emery
President and Managing Director of the Corporation

W. F. James
Consulting Geologist

L. C. Kilburn
Vice-President Exploration, Development and
Western Canadian Operations
Falconbridge Limited

*J. D. Krane**
Vice-President Corporate Affairs and Secretary
Falconbridge Limited

G. P. Mitchell
Vice-President of the Corporation and President,
Kiena Gold Mines Limited

*J. D. Streit**
Geologist, President
Yellowknife Bear Resources Inc.

* Members of the Audit Committee

OFFICERS

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President and Managing Director of the Corporation

G. P. Mitchell
Vice-President of the Corporation and President,
Kiena Gold Mines Limited

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Secretary of the Corporation and other Companies
associated with
Falconbridge Limited

J. M. Donovan
Treasurer of the Corporation and other Companies
associated with
Falconbridge Limited

K. B. Morley
Assistant Treasurer of the Corporation and
other Companies associated with
Falconbridge Limited

S. W. E. Poad
Controller of the Corporation and other Companies
associated with
Falconbridge Limited

TRANSFER AGENTS AND REGISTRARS

Canada Permanent Trust Company
Yonge-Eglinton Centre
20 Eglinton Avenue West
Toronto, Ontario M4R 2E2

Registrar and Transfer Company
10 Commerce Drive, Cranford, N.J. 07016
55 Water Street, New York, N.Y. 10041

BANKERS

Canadian Imperial Bank of Commerce
Toronto, Ontario

AUDITORS

Thorne Riddell
Toronto, Ontario

SOLICITORS

Strathy, Archibald & Seagram
Toronto, Ontario

EXCHANGE LISTINGS

Toronto Stock Exchange
Toronto, Ontario

American Stock Exchange
New York, N.Y.

CONSULTANTS

S. O. Fekete, Metallurgical

L. A. Wrigglesworth, Geological

EXPLORATION

A. H. Ransom, Exploration Manager &
Coordinator of the Salmita Project

MINE OPERATING OFFICIALS
As of January 1, 1983

K. Blower, General Manager
G. A. Aaltonen, Senior Superintendent — Mines
T. P. Riordon, Underground Superintendent
K. S. Morton, Mill Superintendent
K. Baxter, Maintenance Superintendent
J. D. Currie, Mine Engineer
A. A. Inch, Mine Geologist
W. J. Walsh, Office Manager
J. W. McKay, Purchasing Agent
R. D. Kapicki, Personnel Supervisor
G. C. Puech, Chief Safety Officer

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