Campbell Resources Inc. *Annual Report 1982*

Campbell Resources Inc.

Campbell Resources Inc. is the principal in a group of related natural resource and energy companies involved in precious and base metal mining, exploration, oil and gas production and coal mining. Campbell also participates in asbestos mining and marketing through its investment interests in United Asbestos Inc.

Campbell Resources Inc.

Metals and Minerals

- *Camchib Resources Inc.* 81.5%
- *CCH Minerals Ltd.* 100% (Exploration)
- *Cia Minera Trans-Rio S.A. de C.V.* 29%
- *Cullaton Lake Gold Mines Ltd.* (under management)
- *Inca Resources Ltd.* 12.5%
- *Minerales de Sotula S.A. de C.V.* 49%
- *United Asbestos Inc.* 29.7%
- *Yorbeau Mines Inc.* 52.2%

Oil and Gas

- *Inverness Petroleum Ltd.* 74.9%
- *Petroleum Reserve Corp.* 100%

Coal

- *Coal Corporation of America* 100%
- *Coal Enterprises Inc.* 100%

Group ownership as at September 1, 1982

Contents

Annual Meeting

The Annual Meeting is to be held on Thursday, October 28, 1982 at 2:00 p.m. at The Royal Bank Auditorium, 1 Place Ville Marie, Montreal, Quebec.

On peut se procurer la version française de ce rapport en s'adressant au secrétaire de la Compagnie.

To the Shareholders

Financial Summary	*1982*	*1981*	*1980*
Earnings per share before extraordinary items	$0.03	$0.74	$2.12
Earnings per share	$0.07	$3.14	$2.12
Net income	$ 412,000	$ 13,609,000	$ 9,278,000
Revenue	$ 79,193,000	$ 67,688,000	$27,023,000
Funds from operations	$ 11,337,000	$ 9,678,000	$10,583,000
Working capital	$ 3,287,000	$ 8,537,000	$ 9,754,000
Investments	$ 28,131,000	$ 12,747,000	$ 8,657,000
Expenditures on natural resource properties	$ 30,280,000	$ 18,266,000	$ 7,736,000
Total assets	$171,618,000	$138,836,000	$48,737,000
Shareholders' equity	$ 77,722,000	$ 66,001,000	$38,029,000

Fiscal 1982 continued the transition for Campbell Resources Inc. The Company has become a diversified natural resource organization with three operating groups, metals and minerals, oil and gas and coal.

The asset base has grown from $40,000,000 in 1979 to exceed $171,000,000 at the end of fiscal 1982. In fiscal 1979, 88% of the Company's assets were concentrated in metal mining in the Chibougamau area of Quebec with 12% in an oil and gas investment. At the close of 1982, metals and minerals accounted for 31%, oil and gas 47%, and coal 22%.

The metals and minerals group includes Camchib, the management of Cullaton Lake Gold Mines Ltd., the various exploration properties and joint ventures being developed throughout the world and the investments in United Asbestos Inc.

The coal operations are carried on by Coal Enterprises Inc. of Oklahoma and Coal Corporation of America in Kentucky.

Oil and gas operations include Inverness Petroleum Ltd. of Calgary, Alberta and Petroleum Reserve Corporation of Tulsa, Oklahoma.

This new group concept has been coupled with the formation of strong management teams which focus attention on areas of opportunity in their particular business sectors. Growth is expected to continue through acquisition and internal development until each resource group builds to an economic size after which growth emphasis will be on internal development.

Earnings for 1982 were a disappointment. Worldwide economic conditions deteriorated steadily throughout the year fostered by accelerating interest rates and restrictive monetary policies. By the year-end, economic conditions for resource producers were as bad as at any time over the past 50 years.

Funds generated from operations during 1982 were $11,337,000 as compared to $9,678,000 in 1981.The consolidated net income of $412,000, or 7 cents per share in the year ended June 30, 1982 compares with $13,609,000 or $3.14 a share for the preceding year. These results include extraordinary net gains of $232,000 in the latest year and $10,442,000 in the previous year.

Gross revenues from production rose 17% to exceed $76,000,000. Metals revenue declined 17%; coal revenue rose 59% and oil and natural gas rose by 11%.

Metals and minerals operations were the most adversely affected during the year, almost entirely due to the deterioration of base and precious metal prices. Camchib continues to press forward with its long range plan to attain better utilization of its milling capacity. Since 1980, when this plan was initiated, $25,000,000 has been spent by Camchib and partners on exploration and development aimed at increasing the reserve position of Camchib so that mining operations can be increased from the 400,000 ton per year level to in excess of 1,000,000 tons per year. In 1983, approximately $9,000,000 is expected to be spent on continuing development and exploration.

During the year, Camchib developed the Devlin orebody and placed it on a care and maintenance basis to await improved metal prices. Significant progress was made in drifting to the S-3 site which should provide ore averaging 0.20 ounces gold per ton with 0.60% copper. The development of an exciting new zone within the Henderson Mine is on target. Encouraging results have been obtained on the Belle and Taché Lake properties.

During the year Camchib and Campbell purchased a further 15% interest in United Asbestos, which is the non-operating partner in the Black Lake, Quebec asbestos mine.

During the year, Camchib became the operator of the Cullaton Lake gold mine in the Northwest Territories and will receive 10% of the net mining income from the mine as a management fee. Camchib has the right until December 1984 to purchase a significant equity position in Cullaton Lake Gold Mines Ltd. This is an excellent opportunity for Camchib to acquire equity in what is believed to be a long-life, high-grade gold mine.

The exploration programs have several targets which could be potential mines in the future. They range from a barium sulphate deposit on the east coast in Nova Scotia, to a gold prospect in northern British Columbia with excellent geochemical surface results, to the Inca Resources Inc. property in California where Campbell Resources has the opportunity to earn 51% of a very large gold property, to Cerro d'Oro, a large, low-grade gold property in Mexico. The potential of these exploration targets place Campbell in an excellent position to benefit from a future upturn in the metals/minerals cycle.

Coal operations are expanding their contribution to the company's growth with production rising some 40% in the latest year and reserves being built to permit future increases.

The program for the coal operations is to expand the reserve position and the marketing thrust while continuing to concentrate on cost effectiveness of production. The year 1982 has been marked by significant improvements in equipment utilization at both coal companies and close to a doubling of cash flow. It is anticipated that this strong performance will continue. Early in the new fiscal year, Coal Corporation of America became a 100% subsidiary of Campbell.

Completion of the merger with Skye Resources Inc. during the year resulted in considerably enlarged oil, gas and coal interests. On a combined basis, the asset values of Inverness Petroleum and Skye's Petroleum Reserve Corp. approximate $100,000,000.

The thrust in oil and gas operations now emphasizes building cash flow. Properties and projects are being assembled in both Canada and the United States which have potential for early development into production.

The outlook for fiscal 1983 is one of caution. Although the inflationary trend of the past few years seems to have been stemmed, it appears that the fundamentals to prevent its re-occurrence may still exist.

The price of copper has decreased 19% over the fiscal year, and is now at a level below the full cost of production of most large copper mining organizations. Campbell is fortunate in that Camchib's principal mines are co-product operations, producing both gold and copper.

Oil and gas prices have weakened in the United States but conditions and prices have shown recent signs of improvement. In Canada, the outlook is improving partially as a result of steps taken by both provincial and federal governments.

The coal companies are performing exceptionally well in a difficult market and further improvement is anticipated.

The people, the mineral resources, and the financial and capital base have been put in place to allow Campbell Resources to take full advantage of opportunities as they arise.

Appreciation is expressed to all those individuals who are part of the companies within the Campbell Resources Group and to associates and shareholders for their efforts and support through the recent difficult period faced by the industry.

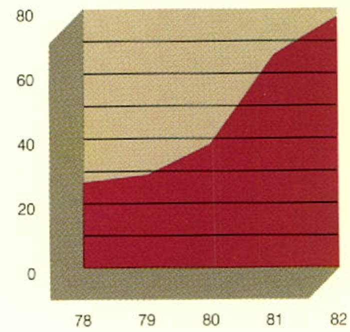
Mr. Harold R. Steele will not be standing for re-election as a Director of Campbell due to other business commitments. We thank Mr. Steele for his valued contributions to the company's growth.

On behalf of the Board of Directors

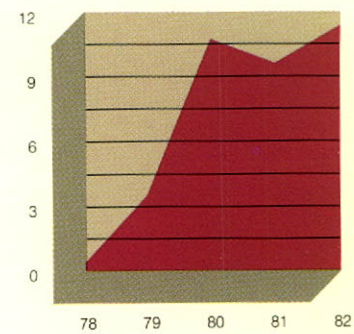
Ned Goodman
Chairman of the Board

Richard Lister
President & Chief Executive Officer

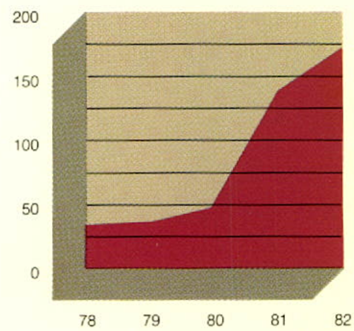
Shareholders' equity
millions



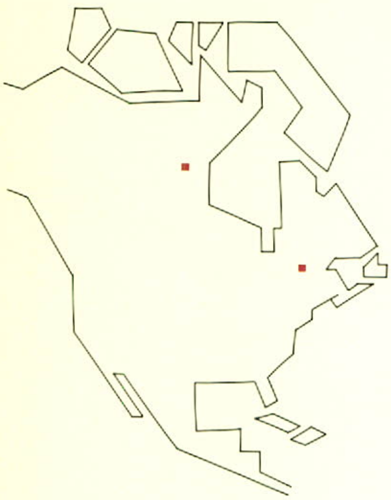
Funds from operations
millions



Total assets
dollars



Metals and Minerals



Camchib Resources Inc.

year to June 30	*1982*	*1981*
Revenue (000)	$24,026	$28,997
Mining income (000)*	$3,158	$8,966
Gold sales (oz.)	30,405	30,478
Copper sales (000 lbs.)	5,982	6,844

*Before administration, interest, provisions and taxes.

Depressed prices for gold, copper and silver on world markets adversely affected the results of operations at the Chibougamau, Quebec area mines.

Camchib Resources Inc.

Camchib Resources Inc. achieved an operating income before provisions and taxes of $504,000. After write-offs and other factors, the Company reported a net loss of $2,648,000 for the full 12 months to June 30, 1982. This was the first full year of operations of the mines within Camchib following the reorganization within the Campbell Resources Group. These disappointing results were almost solely due to the deterioration of metal prices throughout the year.

Camchib is continuing with its long range plan of adding reserves; its exploration and development efforts are aimed at increasing mill processing to an annual rate of 1,200,000 tons from the 424,000 tons treated in fiscal 1982. Since 1980, Camchib and partners have spent over $25,000,000 on exploration and development as the key part of the program to achieve the target in 1985. Camchib finances long-term exploration and development on its properties from internal resources. Other projects in Quebec have been financed through a partnership joint venture, La Premiere Societe en Commandite Camchib.

This active exploration program is essential in building a mineral inventory to support future growth in production.

The major exploration and development activities in the year related to the Devlin, S-3, and Henderson II Winze projects. The Devlin project with reserves of 1,400,000 tons of 2% copper has been developed to the point of awaiting a production decision. The company has chosen to inventory this ore body pending improved copper pricing. At S-3, the 8,000 foot drift to target had advanced over 1,000 feet by June 30, 1982 and continues on schedule with planned completion by the fall of 1983. Shaft sinking and ancillary development was completed on the Henderson II Winze project. Drifting towards the ore body has commenced and production is scheduled during last quarter fiscal 1983.

During the past fiscal year exploration on the 1,300 foot level at Henderson II entered an ore zone with excellent gold and copper indications. This zone is believed to be the extension of the former "A" zone from which over 2,000,000 tons of ore were extracted.

Additional financing of $19,750,000 was obtained by Camchib during the year from two private placements. These financings consisted of convertible debentures and shares.

An additional $5,700,000 was raised for Chibougamau area exploration to be completed by December 31, 1982.

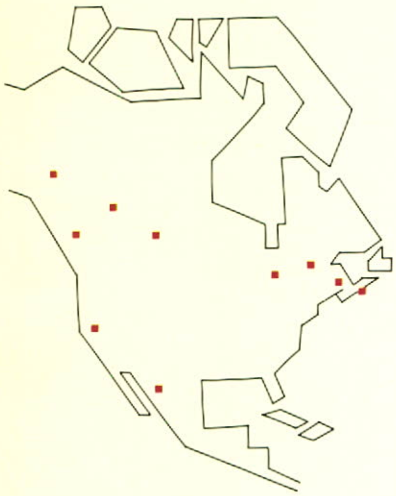
A 9.9% interest (700,000 shares) was purchased in United Asbestos Inc. which obtains revenue from an interest in a large Quebec asbestos producer.

Cullaton Lake Gold Mines

In May 1982 Camchib assumed the management of Cullaton Lake Gold Mines Ltd., a high-grade gold mine in the Northwest Territories. Camchib is providing management services for which it will recover related costs and is entitled to 10% of the net mining income from the Cullaton Lake mine. Camchib also has the right by the end of 1984 to purchase an interest equivalent to approximately 18% of the outstanding share capital of Cullaton.

United Asbestos Inc.

Campbell holds 29.7% in United Asbestos. That company reported net income of $7,719,000 ($1.09 per share) in its fiscal year ended March 31, 1982. Under a joint venture, United Asbestos receives between 50% and 60% of net proceeds from operation of the large Black Lake asbestos mine in Quebec. The company also owns a non operating asbestos property in Ontario. Despite the difficult conditions in world asbestos markets, the results at United Asbestos are considered favorable.



The Metals and Minerals Group is actively involved in a number of diverse projects in Canada, U.S.A. and Mexico.

Expenditures during the year totalled $12,914,400 of which $9,908,300 was recovered from joint venture partners.

Exploration continues to focus on properties that have an established target and could be brought into production in a short time span.

Canada

Cortin Joint Venture

The Cortin joint venture with Billiton Exploration Canada Ltd. and Canadian Nickel Co. Ltd., is a search for tin in the Yukon Territory and British Columbia. The venture is in its fifth year and has spent $3,700,000 to date. Campbell's beneficial interest in any mine found is 22%.

The program this past year centered on a review of the data collected over the last 4 years on a 4,500 foot long tin bearing structure.

Tin values intersected in some 16 diamond drill holes have been somewhat erratic over narrow widths, and the opinion of an outside consulting group is being sought to advise on the economic potential of the structure.

Norcen Uranium Joint Venture

The exploration phase of this successful joint venture has been completed.

The Blizzard open pit uranium deposit in which Campbell retains a 13.5% interest is awaiting the lifting of the moratorium placed on uranium mining by the Province of British Columbia. The deposit contains in excess of 2,200,000 tons of 0.21% U_3O_8.

Misty Project

This 100% owned property is located near Terrace, B.C. Soil geochemical results have established a very prominent and persistent gold anomaly; values to 0.22 oz. per ton have been found in the soils. Current geochemical surveys have traced one branch of the anomaly in excess of 1,400 feet. Three trenches dug to bedrock have returned gold values of 0.168 oz./3.3', 0.200 oz./3.3' and 0.143 oz./3.6' over a known strike length of 800 feet. Results to date are very exciting.

Barite Project

The demand for drilling mud off Canada's eastern seaboard as a result of oil and gas discoveries is increasing. Barite is the principal ingredient of drilling mud and most of this freight sensitive material is supplied from foreign sources.

Campbell has concluded a two year option agreement on a 9,700 acre property on Cape Breton Island containing numerous bedrock showings of barite.

Metallurgical test work has indicated that a product meeting all the requirements of drilling muds can be produced.

United States

Rich Gulch

Through an option agreement, Campbell has the right to earn a controlling interest in an extensive gold property in California, by being responsible for bringing the property into production when a positive feasibility study has been prepared.

Inca Resources Ltd. has completed geological and geochemical surveys over most of the property. Gold bearing tuff lenses and sheets are indicated all along its 9 mile length. Drilling has concentrated on the Central Zone where our partner, Inca Resources, has calculated reserves of 1,915,000 tons grading 0.128 oz. gold per ton to a depth of 400 feet. Current drilling is directed to building up a reserve inventory before production planning.

Mexico

Compañia Miñera Trans-Río S.A. de C.V.

Trans-Río, a partnership along with Compañía Fresnilo S.A. (operator) and Minas Peñoles S.A. de C.V., owns the Washington Mine in the State of Sonora. Campbell holds 29% of this venture.

The Washington Mine is a multi-metal breccia pipe occurrence of copper, molybdenum, tungsten and silver. Recently concluded diamond drilling has increased the reserves to in excess of 2,000,000 tons grading 0.38 oz. of silver, 1.33% copper, 0.08% molybdenum and 0.15% tungsten trioxide.

Minerales de Sotula S.A. de C.V.

Campbell holds a 49% interest in Minerales de Sotula S.A. de C.V., an exploration company which acquires properties meriting development.

Cerro de Oro Project

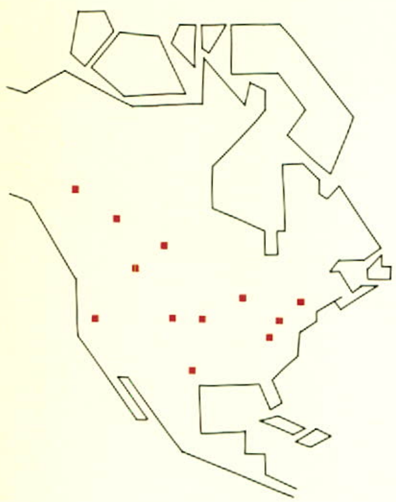
A substantial area of anomalous gold values has been outlined in an old mining camp in Sonora. Subsequent work has indicated a surface area that could contain in excess of 15,000,000 tons of open pittable gold ore in the 0.06 oz. per ton range.

Initial column leach tests indicate that the deposit can be heap leached with above average recoveries in a relatively short cycle, thus enhancing the potential economics of this property even at relatively low gold prices.

Alma Susana

Alma Susana is a base metal prospect in Sonora on which an electromagnetic survey has outlined an extensive anomaly. Drilling is planned later this year.

Oil and Gas



year to June 30	1982	1981
Revenue (000)	$12,193	$11,004
Oil, Gas Income*	$8,231	$7,622
Oil production (000 bbls.)	307	251
Gas production (MMCF)	2,271	2,148
Proven Oil reserves (000 bbls.)	3,592	3,814
Proven Gas reserves (MMCF)	34,915	30,185

*Before administration, interest, provisions, taxes and including pre-acquisition earnings in 1981.

With the acquisition of Skye Resources, the oil and gas interests of the Campbell Group today represent assets approximating $100,000,000. Petroleum Reserve Corp. (Skye's oil subsidiary) and Inverness Petroleum Ltd. combined for an operating income before administrative and interest expense of $4,315,000 in fiscal 1982, daily oil production of 770 barrels, and daily gas output of 5,780 MCF. This represents a substantial business which is well poised to grow in both Canada and the United States.

Inverness Petroleum Ltd.

Inverness Petroleum is a Calgary based oil and gas company with interests in Canada, U.S. and overseas.

In fiscal 1982, Inverness reported a 28% rise in revenue to $4,300,000 and an 18% increase to $3,004,000 in funds provided from operations. After a 15% increase in non-cash write-offs, a profit of $25,197 was shown, compared with a loss of $41,854 in the previous year.

Daily oil production increased 21.7% to 381 barrels daily. Daily natural gas output was down 15.9%. In drilling, Inverness had a success ratio of 76% with 48 wells completed of 63 drilled.

Proven and probable reserves before royalties were 2,322,000 barrels of oil and 30,361 MMCF of natural gas.

The oil reserves declined as a result of the latest engineering estimates of recoverable reserves on the Santa Clara prospect in California; however, in Canada gas reserves rose appreciably due to revised reserve estimates at Josephine and Chump Lake.

Inverness has a five per cent participation in a deep well currently being drilled in McMullen County, Texas known as the Leopard Creek project. A discovery here could have major natural gas potential.

In the new overseas projects, seismic surveys will be carried out on the offshore Sicily acreage in which a 20% interest is held. Other offshore applications are pending.

The outlook for Inverness continues to improve both in Canada and the United States. In Canada, six new gas projects are expected to come on stream in fiscal 1983 so that 85% of gas reserves will have been brought into production. Oil development in the province of Saskatchewan will receive increased emphasis.

Inverness intends to expand exploration efforts in Canada as a result of an improved operating environment resulting from changes in government taxes and royalties.

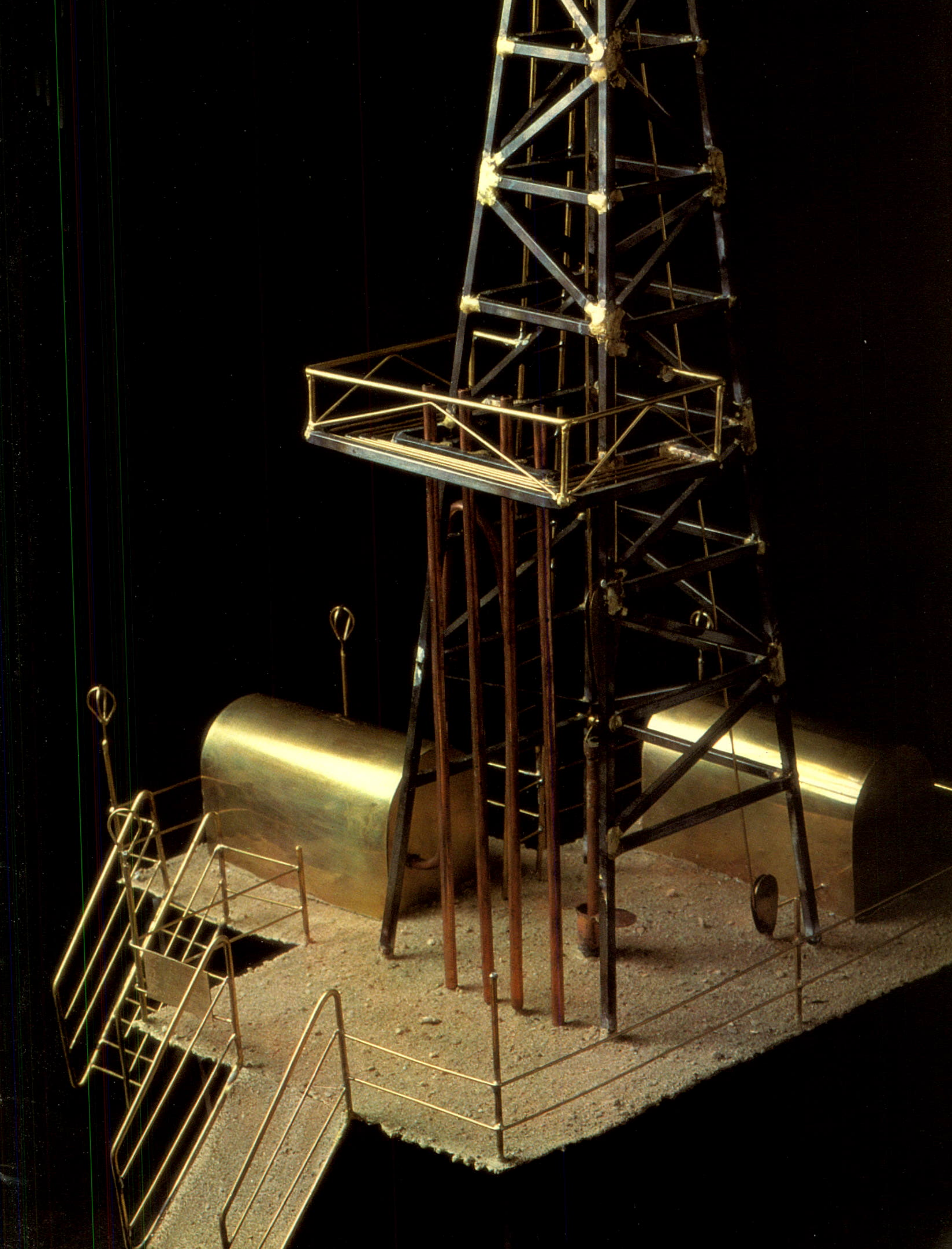
The company is financially healthy, with minimal debt and unused lines of credit and expects to maintain a managed rate of growth.

Petroleum Reserve Corp.

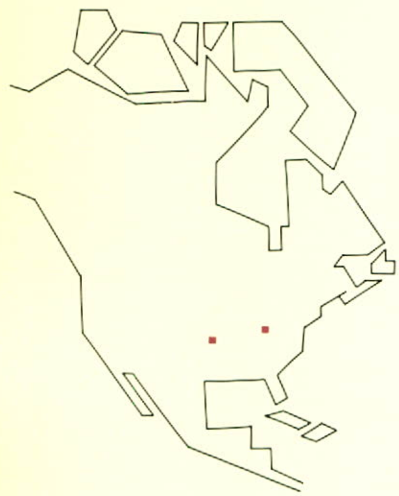
This wholly-owned subsidiary is based in Tulsa, Oklahoma and maintains its principal operations in north-central Oklahoma.

Petroleum Reserve in the year ended June 30, 1982, had net income of $2,231,000 and a cash flow of $4,819,000. Daily production rates net of royalties were 390 barrels of oil and 2,450 MCF daily of natural gas. Proven oil reserves at July 1, 1982 were 1,270,000 barrels and proven gas reserves were 4,554,000 MCF.

The long term strategy of Petroleum Reserve Corporation revolves around the acquisition of land and an increase of activity in the Oklahoma basin. An expanded organization is now in place and an increase of their activities should show in their 1983 results.



Coal



year to June 30	1982	1981
Revenue (000)	$40,133	$25,265
Mining income (000)*	$8,960	$5,034
Tons sold	1,001,000	716,000

*Before administration, interest, provisions, taxes, and including pre-acquisition earnings in 1981.

The consolidation of Campbell's coal mining interests is almost completed. Coal Enterprises Inc. became a wholly-owned subsidiary as a result of the merger with Skye Resources which occurred during the fiscal year. Recently, it was announced that arrangements had been finalized to acquire the remaining 20% of Coal Corporation of America not held by Campbell Resources.

As a result of these steps, Campbell's coal operations will become a profit centre in the Campbell group operating seven mine sites – three in Oklahoma and four in Kentucky.

Campbell's long-term strategy in the coal business revolves around the formation of small entrepreneurial business centres. Campbell is actively seeking expansion by the acquisition or development of a third operating company.

The year 1983 will see completion of a management group to expand marketing, coal brokerage, and reserve acquisition programs.

Coal Corporation of America

Coal Corporation operates three surface mines in eastern Kentucky and leases out an underground mining reserve. The surface mines produced 470,000 tons during the year, up 184,000 tons from 1981.

Production for 1983 is projected at 531,000 tons, of which 345,000 tons are scheduled to fill a long-term commitment to a Kentucky utility. The remaining 186,000 tons will be directed towards additional steam coal consumers and stoker coal customers.

A major thrust of Coal Corporation is the upgrading of reserves. A program was implemented in 1982 that has seen the addition of three million tons of high quality coal reserves drilled and inventoried for future mining.

Production equipment continues to be upgraded with additional machines being placed where needed.

Coal Enterprises Inc.

This wholly-owned company is the Skye Resources Inc. subsidiary which operates three strip mines in northeastern Oklahoma.

Coal sales from the Oklahoma properties increased 35% to 531,000 tons from the previous fiscal year. Low sulphur coal accounted for 303,000 tons, compared with 231,000 tons in the previous year. The remaining 228,000 tons sold was high sulphur coal. Prices for low sulphur coal improved over the year but are expected to decrease slightly during fiscal 1983.

Plans for the 1983 year are to produce and sell 290,000 tons of low sulphur Sequoyah coal and 270,000 tons of the higher sulphur Fort Scott and Stilger coals.

Capital expenditures will be concentrated in two directions – upgrading of existing production equipment and increasing available reserves in the low sulphur tonnage areas.

Consolidated Balance Sheets

in thousands of Canadian dollars
as at June 30

Campbell Resources Inc.
Incorporated under the Companies Act (Quebec) *(note 1)*

Assets	1982	1981
		(restated) *(note 3)*
Current:		
Cash and short-term investments	$ 1,938	$ 8,003
Receivables	14,152	11,707
Inventories (note 6)	8,335	7,368
Supplies, deposits and prepaid expenses (note 7)	4,632	5,258
Income taxes recoverable	1,196	
Total current assets	30,253	32,336
Investments (note 8)	28,131	12,747
Natural resource properties (note 5(a)):		
Metal mining operations	18,527	15,234
Coal mining operations	22,433	17,150
Exploration expenditures (note 9)	11,473	9,076
Petroleum and natural gas operations	59,323	51,521
	111,756	92,981
Deferred financing and other charges	1,478	772
	$171,618	$138,836

The company follows the full cost method of accounting for petroleum and natural gas operations.

On behalf of the Board:

Ned Goodman, Director

Richard Lister, Director

Liabilities and Shareholders' Equity	1982	1981
		(restated) *(note 3)*
Current:		
Bank indebtedness (note 10)	$ 3,978	$ 3,041
Accounts payable and accrued liabilities (note 11)	18,840	16,790
Current portion of long-term debt	3,596	3,416
Income taxes and mining duties payable	552	552
Total current liabilities	26,966	23,799
Long-term debt (note 12)	47,632	18,646
Deferred income taxes and mining duties	5,206	5,386
Minority interests	14,092	25,004
Commitments and contingencies (notes 7, 9, 17, and 18)		
Shareholders' equity (note 13):		
Capital stock	51,656	6,298
Contributed surplus		33,477
	51,656	39,775
Retained earnings	38,717	38,533
	90,373	78,308
Less the company's pro rata interest in its own shares held by Camchib Resources Inc. (note 4(a) (iii))	12,651	12,307
Total shareholders' equity	77,722	66,001
	$171,618	$138,836

See accompanying notes

Auditors' Report
To the Shareholders of
Campbell Resources Inc.:

We have examined the consolidated balance sheets of Campbell Resources Inc. as at June 30, 1982 and 1981 and the consolidated statements of income, contributed surplus, retained earnings and changes in financial position for the three years ended June 30, 1982 and have obtained all the information and explanations we have required. 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, and according to the best of our information and the explanations given to us, and as shown by the books of the company, these consolidated financial statements are drawn up so as to exhibit a true and correct view of the state of the company's affairs as at June 30, 1982 and 1981 and the results of its operations and the changes in its financial position for the three years ended June 30, 1982 in accordance with accounting principles generally accepted in Canada applied on a consistent basis during the period after restatement of the financial statements for 1981 to give retroactive effect to the change, with which we concur, in the method of accounting for the company's investment in United Asbestos Inc. as described in note 3 to the financial statements.

Arthur Young, Clarkson, Gordon & Co.
Chartered Accountants

Toronto, Canada,
August 18, 1982.

Consolidated Statement of Income

in thousands of Canadian dollars except for per share information
Year ended June 30

	1982	1981	1980
		(restated) (note 3)	
Revenue:			
Metals (note 7)	$24,026	$28,997	$25,073
Coal	40,133	25,265	
Petroleum and natural gas	12,193	11,004	1,361
Interest and other income	2,841	2,422	589
	79,193	67,688	27,023
Operating expenses:			
Metal mining	20,868	20,031	14,080
Coal mining	31,173	20,231	
Petroleum and natural gas	3,962	3,382	272
General administration (note 18(h))	5,558	3,873	1,662
Interest – long-term debt	4,917	2,816	308
– other	2,003	1,495	48
	68,481	51,828	16,370
Operating income before the undernoted items	10,712	15,860	10,653
Depreciation, depletion and amortization:			
Metal mining	3,514	3,385	2,171
Coal mining	4,795	2,736	
Exploration expenditures written off	311	627	369
Petroleum and natural gas	3,916	3,130	613
	12,536	9,878	3,153
Income (loss) before the undernoted items	(1,824)	5,982	7,500
Share of earnings of equity accounted company (notes 3 and 8(b))	1,713	424	
Gain on sale of investment			5,931
	(111)	6,406	13,431
Provision for (recovery of) income taxes and mining duties (note 15)	(732)	1,234	4,153
Income before minority interests, pre-acquisition earnings and extraordinary items	621	5,172	9,278
Minority interests and, in 1981, pre-acquisition earnings	(441)	(1,985)	
Income before extraordinary items	180	3,187	9,278
Extraordinary items:			
Net gain arising from issues of share capital by majority-owned companies (note 16)	232	10,422	
Net income for the year	$ 412	$13,609	$ 9,278
Earnings per share (note 14):			
Before extraordinary items	$0.03	$0.74	$2.12
Net income for the year	$0.07	$3.14	$2.12

See accompanying notes

Consolidated Statements of Contributed Surplus and Retained Earnings

in thousands of Canadian dollars
Year ended June 30

	1982	1981	1980
		(restated) (note 3)	
Contributed surplus			
Balance, beginning of year	$33,477	$ 8,622	$ 8,622
Excess of amounts received for, or ascribed to, issues of common shares over the par value thereof (note 13(a))	10,449	24,855	
	43,926	33,477	8,622
Reclassification to capital stock resulting from capital reorganization (note 13(a))	43,926		
Balance, end of year	$ NIL	$33,477	$ 8,622
Retained earnings			
Balance, beginning of year (note 3)	$38,533	$24,924	$15,646
Net income for the year (note 3)	412	13,609	9,278
	38,945	38,533	24,924
Company's share of loss incurred by Camchib on disposition of company shares (note 4(a)(iii))	(228)		
Balance, end of year	$38,717	$38,533	$24,924

See accompanying notes

Consolidated Statement of Changes in Financial Position

in thousands of Canadian dollars
Year ended June 30

	1982	1981	1980
Source of funds:			
Operations –			
Operating income before depreciation, depletion and amortization	$10,712	$15,860	$10,653
(Deduct) add:			
Recovery of (provision for) current income taxes and mining duties	552	(76)	
Pre-acquisition operating income of majority-owned companies before non-cash charges		(6,106)	
Other	73		(70)
Funds from operations	11,337	9,678	10,583
Issues of capital stock	11,881		
Net proceeds from issue of long-term debt	40,845		
Proceeds on disposal of fixed assets	717		
Issues of shares by majority-owned companies	947	20,062	
Sale of treasury shares to Camchib Resources Inc.		14,000	
Proceeds on sale of investment			11,225
Less repayment of related bank loan			(2,678)
Other	229	(142)	291
Total funds provided	65,956	43,598	19,421
Application of funds:			
Expenditures on natural resource properties (note 5(b))	30,280	18,266	7,736
Purchase of shares in and advances to –			
United Asbestos Inc.	12,169	9,405	
Inca Resources Inc.	1,224		
Other (net)	278	370	452
	13,671	9,775	452
Purchase of shares of majority-owned companies	14,224	5,929	5,394
Less working capital acquired		(500)	
Redemption of shares by majority-owned company	166	378	
Reduction in long-term debt	12,865	10,967	80
Total funds applied	71,206	44,815	13,662
Increase (decrease) in working capital during the year	$ (5,250)	$ (1,217)	$ 5,759

See accompanying notes

	1982	1981	1980
Changes in components of working capital:			
Increase (decrease) in current assets —			
Cash and short-term investments	$ (6,065)	$ 6,618	$ 549
Receivables	2,445	8,168	1,726
Inventories	967	2,135	1,312
Supplies, deposits and prepaid expenses	(626)	(244)	4,042
Income taxes recoverable	1,196		
	(2,083)	16,677	7,629
Increase (decrease) in current liabilities —			
Bank indebtedness	937	2,575	466
Accounts payable and accrued liabilities	2,050	11,431	1,993
Current portion of long-term debt	180	3,336	(589)
Income taxes and mining duties payable		552	
	3,167	17,894	1,870
Increase (decrease) in working capital during the year	(5,250)	(1,217)	5,759
Working capital, beginning of year	8,537	9,754	3,995
Working capital, end of year	$ 3,287	$ 8,537	$ 9,754

See accompanying notes

Notes to Consolidated Financial Statements

stated in Canadian dollars

1. Change of name and governing statute

On December 30, 1981, the shareholders approved the change in the company's name from Campbell Resources Inc. (No Personal Liability) to Campbell Resources Inc. and the company's continuance under the Companies Act (Quebec). The company was previously governed by the provisions of the Mining Companies Act (Quebec).

2. Accounting policies

The following is a summary of significant accounting policies followed in the preparation of the consolidated financial statements. The policies are in accordance with accounting principles generally accepted in Canada which, except as described in note 19, conform in all material respects with accounting principles generally accepted in the United States:

(a) Basis of consolidation and accounting for investments —
The accompanying financial statements consolidate the accounts of Campbell Resources Inc. ("Campbell" or "the company") and the following companies in which majority share ownership is held.

	Effective ownership at June 30, 1982
Camchib Resources Inc. ("Camchib")	81.5%
Skye Resources Ltd. ("Skye")	100.0
Inverness Petroleum Ltd. ("Inverness")	74.9 (i)
Coal Corporation of America ("Coal Corporation")	80.0
Shaker Coal Company, Inc. ("Shaker")	80.0(ii)
CCH Minerals Ltd.	100.0

(i) including 35% held through Skye
(ii) held through Coal Corporation

Changes in Campbell's effective percentage ownership of Camchib, Skye, Inverness and Coal Corporation are set out in note 4.

The company accounts for its investment in United Asbestos Inc. ("United"), in which it has significant influence, on the equity basis. Other investments are carried at cost which, in the case of short-term investments, approximates market value.

(b) Valuation of inventories —
Metals in process and coal inventories are valued at the lower of FIFO cost and net realizable value. The cost of metals in process includes direct labour, supplies consumed and the proportion of administrative expenses (approximately $376,000 at June 30, 1982 and $251,000 at June 30, 1981) that relates to mining operations, but does not include depreciation, depletion and amortization of related mining assets. The cost of coal inventories includes direct labour and supplies consumed.

(c) Depreciation, depletion and amortization —
(i) Metal mining —
Depletion is provided on metal mining properties at a rate per ton milled which is determined by dividing the undepleted cost of each property by the economically recoverable proven and probable ore reserves related to that property.

Depreciation of mine buildings and equipment is provided largely on the straight-line basis at a 6% annual rate which is estimated to amortize the cost of the assets over their useful lives.

Development costs are deferred and charged against income at a rate per ton milled computed on a mine-by-mine basis by dividing the unamortized development costs of each mine by the economically recoverable proven and probable ore reserve tonnage applicable to that mine.

(ii) Coal mining —
Expenditures for coal leases and related development costs are capitalized and amortized using the units-of-production method based upon estimated recoverable tonnage.

Depreciation of coal mining property, plant and equipment is provided largely on the straight-line basis at annual rates from 5% to 33⅓% which are estimated to amortize the cost of the assets over their useful lives.

The value ascribed to Coal Corporation's coal sales contract which expires in 1989 (see note 4(d)) is being amortized on the basis of contracted sales tonnage over the life of the contract.

(iii) Exploration —
Mining exploration expenditures are deferred by specific project or project area and are written off if the project or project area is abandoned.

(iv) Petroleum and natural gas —
The full cost method is followed in accounting for petroleum and natural gas operations. Under this method all costs related to the acquisition of, exploration for and development of petroleum and natural gas reserves are accumulated on a country-by-country basis and are amortized by the units-of-production method based on estimated proved developed petroleum and natural gas reserves in each country or are written off to earnings if exploration activities in a country are determined to be unsuccessful.

Costs of acquiring and evaluating significant unproved properties are excluded from capitalized costs to be amortized until it is determined whether or not proved reserves are attributable to the properties or impairment in value has occurred. No gains or losses are recognized upon the sale or disposition of properties held for exploration and development purposes except for transactions which result in major disposals of petroleum and natural gas reserves.

Depreciation of production equipment is provided on a units-of-production method based on estimated proved developed petroleum and natural gas reserves in each country. Depreciation of other equipment is provided using the straight-line method at rates which are estimated to amortize the cost of the assets over their useful lives.

(d) Recognition of metals revenue —
The sale of metals processed through the flotation circuit at Chibougamau is recorded in income three months after arrival of the concentrate at the custom smelter which is the normal time period required to smelt, refine and sell the metals contained in the concentrate. The sale of metals produced through the cyanide circuit, all of which are precious metals, is recorded in income when the metals are poured at the main mine site.

(e) Income taxes and mining duties —
The tax allocation method of accounting for income taxes and mining duties is followed. On this basis, taxes and duties deferred to future periods as a result of timing differences between accounting income and income for tax and mining duty purposes (such differences being principally attributable to depreciation, depletion and exploration and development allowances) are recorded as deferred income taxes and deferred mining duties.

Investment tax credits are included in income in the year realized.

(f) Foreign currency translation —
Current assets and liabilities denominated in United States dollars are translated into Canadian dollars at the year-end rate of exchange. All other assets and liabilities are translated at historical rates of exchange. Revenues and expenses are translated into Canadian dollars at the average exchange rate in effect during the year, except for depreciation, depletion and amortization which are translated at the historical rates applicable to the related assets. The net gain or loss arising from translation is included in the results of operations for the year in which the gain or loss arises.

(g) Deferred financing charges —
Discounts and expenses relating to the issue of long-term debt are deferred and amortized over the term to maturity of the related obligation.

3. Restatement of 1981 amounts

As a consequence of acquisitions of shares of United during fiscal 1982, as described more fully in note 8(b), and the subsequent appointment of certain officers and directors of Campbell and Camchib as officers and directors of United, Campbell is considered to exercise significant influence over the operations of United and consequently, the company has adopted the equity method of accounting for its investment. This basis of accounting has been retroactively applied in these financial statements with the result that net income for the year ended June 30, 1981, and the investment in United and retained earnings at that date, have been increased by $424,000 (10¢ per share) from amounts previously reported. Campbell had no investment in United in fiscal 1980.

4. Acquisition of majority-owned companies

Information relating to the acquisition of interests in majority-owned companies is as follows:

(a) Camchib Resources Inc. —
(i) The company acquired majority share ownership in Camchib effective January 1, 1981 as a result of:
— the sale of the company's Quebec mining assets and business to a newly-incorporated wholly-owned subsidiary; and
— the amalgamation of that subsidiary and Camchib, effective the same date, whereupon the company received 100% of the special shares and 46.7% of the common shares of the amalgamated company, with the other common shareholders of Camchib receiving 53.3% of the common shares. The common and special shares are identical in all respects except that the special shares carry no votes with respect to the election of directors and are convertible into common shares on a one-for-one basis.

Prior to January 1, 1981, Campbell held a 46.7% equity interest in Camchib and accordingly accounted for its investment therein on the equity basis. Since the company owned all the shares of the amalgamating subsidiary and 91.6% of the combined number of common and special shares of the amalgamated company immediately after the amalgamation, the amalgamation was accounted for as a reorganization. Accordingly, the assets and liabilities brought into the amalgamated company are accounted for in these consolidated financial statements at the amounts at which they were carried by the company and Camchib prior to the reorganization. Further, the operating results of Camchib for the six month period prior to the amalgamation have been fully consolidated in the statement of income for fiscal 1981 with appropriate deductions for minority interests and pre-acquisition earnings. For these reasons, and in that the pre-acquisition earnings of Camchib were not material, net income for fiscal 1981 would not have been materially different from that reported in these financial statements had the reorganization taken place at the beginning of fiscal 1981.

During fiscal 1981 but subsequent to the aforementioned transactions:

— the company purchased additional common shares of Camchib in the open market for $562,000; and

— Camchib issued to outsiders common shares from treasury and 500,000 warrants to purchase common shares at $7.50 per share to December 31, 1983 for a net cash consideration of $6,726,000 pursuant to a public offering and issued common shares valued at $1,139,800 to acquire additional mining interests.

As a result of these transactions the company owned 25.3% of Camchib's common shares and 78.7% of the combined number of its common and special shares outstanding at June 30, 1981.

(ii) During fiscal 1982 the company purchased additional common shares of Camchib in the open market for $1,757,000 and Camchib issued additional common shares from treasury to outsiders for a total consideration of $801,000. As a result of these transactions, the company's interest in Camchib was increased to 37.6% of the outstanding common shares and 81.5% of the combined number of common and special shares outstanding at June 30, 1982. These interests would be reduced to 17.4% and 60.7% respectively if (i) all outstanding warrants to purchase Camchib shares were exercised; (ii) all Camchib convertible debentures were converted into common shares at the current conversion rate; and (iii) additional common shares were issued by Camchib pursuant to outstanding share option and other share issue agreements.

Net income for fiscal 1982 would not have been materially different from that reported in the financial statements had the increase in equity owned taken place at the beginning of fiscal 1982.

(iii) The assets of Camchib include 1,032,010 common shares of the company representing 13.4% of the issued and outstanding shares at June 30, 1982 (1,072,010 common shares and 17.0% at June 30, 1981) acquired at a cost of $14,036,000 (1981 – $14,575,000). Campbell's share ($228,000) of a loss on the sale by Camchib of 40,000 Campbell common shares during fiscal 1982 has been charged to retained earnings.

The company's pro rata interest in Camchib's investment in the company, together with $966,000 (1981 – $1,068,000) assigned thereto upon purchase of Camchib shares by Campbell, is shown in the consolidated balance sheets at June 30, 1982 and 1981 as a reduction of shareholders' equity.

(b) Skye Resources Inc. —

(i) During the first quarter of fiscal 1981 the company increased its common share ownership in Skye from 17.4% to 19.1% at a cash cost of $817,000. Through a share exchange offer deemed effective June 30, 1981, the company acquired additional common shares of Skye in exchange for the issue from treasury of 1,012,246 of its own common shares with an ascribed value of $12.50 per share and cash of $5,112 thereby increasing its common share interest in Skye to 53.7%. Accordingly, the assets and liabilities of Skye are included in the consolidated balance sheet at June 30, 1981 on the purchase method of accounting as follows:

Proportionate interest in book value of Skye's net assets obtained through the above acquisitions	$10,904,000
Excess of cost of investment over underlying book value of net assets acquired, allocated largely to natural resource properties	7,517,000
Total consideration, including offering expenses of $268,000	$18,421,000

To facilitate comparison with fiscal 1982 and subsequent years, Skye's operating results for fiscal 1981 have been fully consolidated in the statement of income for that year with appropriate deductions for minority interests and pre-acquisition earnings.

(ii) As at December 30, 1981 Skye was amalgamated with a wholly-owned subsidiary of Campbell with the balance of the Skye shares held by outsiders acquired in exchange for the issue from Campbell's treasury of 1,337,250 common shares valued at $10,698,000 (see notes 13 and 17(b)). The acquisition of the remaining Skye shares was accounted for by the purchase method as follows:

Proportionate interest in book value of Skye's net assets	$11,092,000
Excess of cost of investment over underlying book value of net assets acquired, allocated to natural resource properties	90,000
Total consideration, including expenses of $484,000 relating to share exchange	$11,182,000

Net income for fiscal 1982 would have been increased by $812,000 (11¢ per share) from that reported in these financial statements had the increase in equity owned occurred at the beginning of fiscal 1982.

(c) Inverness Petroleum Ltd. –

(i) On July 2, 1980, the company's then 98% owned subsidiary, Inverness, acquired all the outstanding shares of a subsidiary of Skye for $24,428,000. The consideration paid to Skye consisted of shares of Inverness valued at $20,160,000 and cash of $4,268,000. The acquisition of the Skye subsidiary was accounted for by the purchase method as follows:

Property and equipment at net book value	$ 6,233,000
Increase to fair value	22,465,000
	28,698,000
Working capital deficiency	(712,000)
Liabilities assumed	(3,558,000)
Total consideration	$24,428,000

Prior to the acquisition, the company increased its shareholdings in Inverness by the conversion of intercompany debt amounting to $8,798,000 and by the purchase of additional shares for cash of $4,000,000.

As a result of all of the above transactions, the share interest of the company in Inverness was reduced to 53.0% and the interest of Skye became 46.7%. Subsequently, in December 1980, the share interest of the company in Inverness was further reduced to 39.7% (Skye – 35.0%) when Inverness issued to the public common shares from its treasury for cash of $13,400,000 together with warrants entitling holders to purchase on or before December 15, 1982 a total of 480,000 common shares of Inverness at $11 per share.

(ii) During fiscal 1982:

– Inverness issued common shares from treasury to outsiders for a total cash consideration of $146,000 and redeemed common shares on the open market at a total cash cost of $166,000; and

– Campbell acquired 100% ownership of Skye (see (b) above).

As a result of these transactions the company's direct and indirect interest in Inverness was increased to 74.9% at June 30, 1982. This interest would be decreased to 66.9% if all warrants to purchase Inverness shares and all employee share options were exercised.

(d) Coal Corporation of America –

(i) In April and October 1980, the company acquired 52.8% of the common shares of Coal Corporation for $598,000.

These share acquisitions were accounted for by the purchase method in fiscal 1981 as follows:

Coal Corporation's net assets:	
Current assets	$1,843,000
Fixed and other assets, including coal sales contracts of $4,462,000	7,624,000
	9,467,000
Current liabilities	3,952,000
Long-term debt	4,502,000
Preferred shares	351,000
	8,805,000
Net assets attributable to common shares	$ 662,000
Campbell's interest therein (52.8%)	$ 349,000
Excess of cost of investment over underlying book value of assets acquired, allocated to coal sales contract	249,000
Cost of investment	$ 598,000

(ii) During fiscal 1982 the company increased its common share interest in Coal Corporation to 80% through the issue from treasury of 94,650 of its own common shares valued at $1,183,000 in exchange for additional Coal Corporation shares. The acquisition of this additional interest has been accounted for by the purchase method with the consideration paid allocated entirely to the coal sales contract because of the deficiency in book equity that existed in Coal Corporation at the time.

(iii) Subsequent to June 30, 1982, Campbell's interest in Coal Corporation was increased to 100% upon the redemption by that subsidiary of common shares held by outsiders. The total consideration of $1,044,000 consisted of $654,000 in cash and notes for $390,000 due in 1984.

5. Segmented information

The company and its majority-owned companies are engaged in four lines of business activity, as follows:

Metal Mining –

Mining and milling of base and precious metals in Quebec, Canada.

Coal mining –

Coal mining in the United States (commencing in fiscal 1981).

Exploration –

Managing of and participating in mining exploration ventures in Canada, the United States and Mexico.

Petroleum and natural gas –

Production of and exploration for petroleum and natural gas in Western Canada and the United States.

(a) Total assets summarized by business segments were as follows:

(in thousands)	June 30 1982	1981	1980
Metal mining, at cost –			
Buildings and equipment	$ 25,541	$ 23,806	$20,116
Properties	6,274	5,797	5,797
	31,815	29,603	25,913
Less accumulated depreciation, depletion and amortization	21,014	19,752	18,662
	10,801	9,851	7,251
Deferred development costs net of accumulated amortization	7,726	5,383	4,348
	18,527	15,234	11,599
Current assets	10,664	11,046	13,680
Total metal mining assets	29,191	26,280	25,279
Coal mining, at cost –			
Land, buildings and equipment	20,608	13,288	
Property leases	112	84	
	20,720	13,372	
Less accumulated depreciation and depletion	3,111	453	
	17,609	12,919	
Coal sales contract, net of accumulated amortization	4,824	4,231	
	22,433	17,150	
Current assets	8,753	7,016	
Total coal mining assets	31,186	24,166	
Exploration, at cost –			
Equipment	223	233	154
Property costs and deferred expenditures	14,002	10,922	7,471
	14,225	11,155	7,625
Less accumulated write-offs	2,752	2,079	1,408
	11,473	9,076	6,217
Investments	2,072	1,803	1,158
Current assets	1,065	1,736	10
Total exploration assets	14,610	12,615	7,385
Petroleum and natural gas, at cost –			
Equipment and lease rights including exploration and development costs related thereto	66,815	55,021	8,074
Less accumulated depreciation and depletion	7,492	3,500	1,619
	59,323	51,521	6,455
Current assets	5,700	9,249	404
Total petroleum and natural gas assets	65,023	60,770	6,859
Assets not allocated to business segments –			
Investments	26,059	10,944	7,499
Other assets	5,549	4,061	1,715
	31,608	15,005	9,214
Total assets	$171,618	$138,836	$48,737

(b) Capital expenditures by business segment are as follows:

(in thousands)	Year ended June 30 1982	1981	1980
Metal mining –			
Properties, buildings and equipment	$ 1,735	$ 3,718	$2,368
Deferred development costs	4,517	3,264	2,201
	6,252	6,982	4,569
Coal mining –			
Land, buildings and equipment	9,131	2,984	
Exploration –			
Properties and equipment	2,707	2,556	1,238
Petroleum and natural gas –			
Equipment and lease rights including exploration and development costs related thereto	12,190	5,744	1,929
Total capital expenditures	$30,280	$18,266	$7,736

(c) Revenue and operating profit by segment for the three years ended June 30, 1982 were as follows:

	Total revenue			Operating profit (loss)		
(in thousands)	1982	1981	1980	1982	1981	1980
Metal mining	$24,026	$28,997	$25,073	$ (356)	$ 5,581	$8,822
Coal mining	40,133	25,265		4,165	2,298	
Exploration				(311)	(627)	(369)
Petroleum and natural gas	12,193	11,004	1,361	4,315	4,492	476
	$76,352	$65,266	$26,434	7,813	11,744	8,929
General administration and interest (net)				(9,637)	(5,762)	(1,429)
Gain on sale of investment						5,931
Income taxes and mining duties				732	(1,234)	(4,153)
Equity in earnings of United				1,713	424	
Minority interests in and pre-acquisition earnings of majority-owned companies				(441)	(1,985)	
Extraordinary items				232	10,422	
Net income				$ 412	$13,609	$9,278

(d) Depreciation, depletion and amortization charges by business segment are as follows:

	Year ended June 30		
(in thousands)	1982	1981	1980
Metal mining —			
Depreciation of properties, buildings and equipment	$ 1,340	$1,156	$ 893
Amortization of deferred development costs	2,174	2,229	1,278
	3,514	3,385	2,171
Coal mining —			
Depreciation and depletion of buildings, equipment and property leases	4,120	2,343	
Amortization of coal sales contract	675	393	
	4,795	2,736	
Exploration —			
Write-off of exploration expenditures	311	627	369
Petroleum and natural gas —			
Depreciation of production and other equipment	980	624	59
Amortization of lease rights and related exploration and development costs	2,936	2,506	554
	3,916	3,130	613
Total depreciation, depletion and amortization	$12,536	$9,878	$3,153

(e) The geographic distribution of segment revenue, operating results and assets is shown below:

	Revenue			Operating profit (loss)			Assets		
	Year ended June 30			Year ended June 30			June 30		
(in thousands)	1982	1981	1980	1982	1981	1980	1982	1981	1980
Canada	$27,706	$31,849	$26,199	$1,129	$ 6,233	$9,049	$ 78,354	$ 73,088	$38,806
United States	48,646	33,417	235	6,684	5,511	(120)	65,133	53,001	1,274
	$76,352	$65,266	$26,434	$7,813	$11,744	$8,929	143,487	126,089	40,080
Investments							28,131	12,747	8,657
Total assets							$171,618	$138,836	$48,737

6. Inventories

Inventories consist of:

	June 30	
(in thousands)	1982	1981
Metals in process	$5,217	$5,688
Coal	3,118	1,680
	$8,335	$7,368
The estimated net realizable value of metals in process inventory was	$5,668	$5,850

7. Deposits on gold future contracts

Camchib follows the policy of selling a portion of its gold production forward as protection against a possible decline in gold prices. Included in "Supplies, deposits and prepaid expenses" in the consolidated balance sheet at June 30, 1982 is $439,000 (1981 – $351,000) representing deposits on contracts covering the sale of approximately 7,400 ounces of gold at an average price of U.S.$441 per ounce (1981 – 16,000 ounces at U.S.$561), which deposits are recoverable on the closing of the related contracts. In fiscal 1982, contracts entered into to protect 4,000 ounces (1981 – 6,000 ounces) of the subsequent year's gold production were bought back by Camchib resulting in a gain of $478,000 (1981 – $1,606,000) which amount is included in "Metals" revenue in the accompanying consolidated statement of income.

8. Investments

Investments consist of the following:

		Carrying value	
	Interest		*June 30*
(in thousands)	%	*1982*	*1981*
United Asbestos Inc. –			
2,100,000 shares at June 30, 1982 (quoted market value – $8,715,000)	29.7	$23,711	
1,042,100 shares at June 30, 1981 (quoted market value – $10,942,000)	14.7		$ 9,829
Inca Resources Inc. –			
360,000 shares (quoted market value – $648,000)	12.5	1,224	
		24,935	9,829
Cia. Minera Trans-Rio, S.A. de C.V. ("Trans-Rio") –			
29,000 shares (no quoted market value)	29.0	77	77
Advances		1,626	1,519
Others		1,493	1,322
		$28,131	$12,747

The quoted market values set out above do not necessarily represent the realizable value of the particular blocks of investment holdings which may be more or less than that indicated by market quotations.

(a) The shares of United and Trans-Rio owned at June 30, 1982 and 1981 are the combined holdings of the company and Camchib.

(b) Investment in United –
In fiscal 1982, Campbell acquired 357,900 additional common shares of United and Camchib acquired 700,000 common shares for a total consideration of $12,107,000 of which $1,400,000 was satisfied through the issue by Camchib of a non-interest bearing note due October 12, 1982. These purchases increased the combined interest of Campbell and Camchib to 29.7% of United's outstanding common shares.

The aggregate cost of the investment in United exceeded the proportionate interest in the book value of underlying net assets at dates of acquisition by $2,175,000. This excess is attributable to the value of United's operating mining properties.

The financial position of United at March 31, 1982, its fiscal year end, and at June 30, 1982 and the results of its operations for the years ended March 31, 1982 and 1981 and the twelve months ended June 30, 1982 (being the period for which the respective share of income is included in Campbell's earnings) are summarized as follows:

Financial position

(in thousands)	*June 30, 1982*	*March 31, 1982*
Assets		
Current assets	$ 19,310	$ 19,979
Mining assets:		
Operating	49,688	48,720
Inactive	64,068	63,894
Deferred expenses	1,254	1,297
	$134,320	$133,890
Liabilities and shareholders' equity		
Current liabilities	$ 5,736	$ 5,769
Long-term debt	27,500	28,750
Deferred income taxes	28,649	28,136
Shareholders' equity	72,435	71,235
	$134,320	$133,890

Operating Results

(in thousands)	*Twelve months ended June 30, 1982*	*Fiscal year ended March 31, 1982*	*Fiscal year ended March 31, 1981*
Net revenue from mining operations	$ 23,150	$ 24,554	$ 26,075
Amortization of mining assets	6,638	6,778	6,405
Other operating expenses	6,117	6,346	5,292
Income taxes	3,336	3,711	4,408
	16,091	16,835	16,105
Net income	$ 7,059	$ 7,719	$ 9,970

Information as at March 31, 1982 and for the years ended March 31, 1982 and 1981 has been extracted from United's audited financial statements. Information as at and for the twelve months ended June 30, 1982 is based upon unaudited information.

9. Mining exploration

(a) Under a joint venture agreement with Camchib, a partnership (La Première Société en Commandite Camchib) spent $5,445,000 in fiscal 1982 and $1,206,000 in fiscal 1981 in mineral exploration programs on properties in which Camchib has interests. In return, the partnership earned varying interests in the net profits, if any, from particular properties or projects after recovery of exploration expenditures made, or deemed made, by the joint venturers. Camchib manages the partnership as general partner and also manages the joint venture. Included in receivables as at June 30, 1981 is $456,000 due from the partnership.

(b) Pursuant to the terms of a private placement memorandum, Camchib, in fiscal 1982, issued 57 units in an exploration venture. Each unit entitles the holder to receive 6,000 Series "A" Preferred shares and 4,000 Series "B" Preferred shares, both with an ascribed value of $10 per share, of Camchib to be issued in consideration of each unitholder incurring $100,000 of resource exploration expenditures for the benefit of Camchib. Under an agreement relating to the private placement, Camchib acts as the agent of the unitholders in carrying out the exploration work.

At June 30, 1982, $2,178,000 of exploration expenditures had been incurred on behalf of unitholders. Included in receivables at June 30, 1982 is $766,000 due by December 1, 1982 from the unitholders.

10. Bank indebtedness

(a) Bank indebtedness consists of the following:

		June 30
(in thousands)	*1982*	*1981*
Bank overdraft	$1,398	
Operating loans	2,580	$3,041
	$3,978	$3,041

The operating loan at June 30, 1982 is owed by Shaker and bears interest at the U.S. bank's prime rate plus ¼%. Shaker's accounts receivable and inventory have been pledged as collateral against the loan.

(b) At June 30, 1982, the company and majority-owned companies had unused lines of credit totalling $22,396,000 (1981 – $4,547,000) on which fees of ½% per annum are payable. The unused lines of credit may be withdrawn in the event of a material adverse change in the financial condition of the companies to which the lines of credit were granted, an unacceptable change in ownership or legal complications detrimental to the affairs of the companies.

11. Accounts payable and accrued liabilities

(in thousands)	June 30 1982	1981
Trade accounts payable	$10,647	$12,469
Non-interest bearing notes payable	1,400	
Accrued salaries and benefits	2,010	1,668
Other accrued liabilities	4,783	2,653
	$18,840	$16,790

12. Long-term debt

Long-term debt consists of the following:

(in thousands)	June 30 1982	1981
The company –		
Long-term bank loan	$ 8,000	
U.S. dollar term bank loan ($2,540,000 U.S.)		$ 2,968
Majority-owned companies –		
10% convertible secured debentures due November 15, 1990	6,000	6,000
13% convertible secured debentures due January 31, 1989	9,000	
13-20% convertible secured debentures due March 31, 1992	10,000	
Other loans	18,228	13,094
	51,228	22,062
Less current portion of long-term debt	3,596	3,416
	$47,632	$18,646

(a) Long-term bank loan –
The $8,000,000 bank loan bears interest at the bank's prime lending rate. While the loan has been advanced on a demand basis, there are no specific repayment requirements over the next twelve months. Accordingly the loan has been classified as non-current. 115,400 shares of Camchib and 1,400,000 shares of United have been pledged as collateral for this loan.

(b) 10% convertible secured debentures –
600,000 of Camchib's shares of Campbell have been pledged as collateral against these debentures which are convertible into common shares of Camchib at $5 per share to November 15, 1984, $6 per share to November 15, 1987 and $7 per share thereafter to maturity. The debentures are redeemable under certain conditions after November 15, 1982 at the option of Camchib.

Under the terms of the related trust indenture, Camchib is required to establish a sinking fund for the retirement of the debentures by depositing with a trustee in each of the years 1985 through 1989 an amount equal to $600,000 less 10% of the principal amount of debentures previously redeemed or converted.

(c) 13% convertible secured debentures –
These debentures were issued by Camchib on February 11, 1982 and are secured, equally with the 13-20% debentures described below, by a floating charge on all Camchib's assets and undertaking. The debentures are convertible into common or special shares of Camchib at $7.50 per share up to January 31, 1989. The debentures may be redeemed under certain conditions at the option of Camchib at any time after January 31, 1986 subject to a minimum redemption of the lesser of $3,000,000 or the total of all such debentures then outstanding.

(d) 13-20% convertible secured debentures –
These debentures were issued by Camchib on March 31, 1982 and are secured as described in (c) above. The debentures bear interest from 13% to 20% per annum determined on a formula basis with reference to the prices of copper and gold (effective rate at June 30, 1982 – 13%). The debentures are convertible into common shares of Camchib at $7.50 per share to March 31, 1989 and thereafter at $10 per share to March 31, 1992. The debentures may be redeemed in whole or in part under certain conditions after March 31, 1984.

Under the terms of the related trust indenture Camchib is required to establish a sinking fund for the retirement of the debentures by depositing with a trustee in each of the years 1987 through 1991 an amount equal to 10% of the aggregate principal amount of the debentures outstanding as at September 30, 1986 less 10% of the principal amount of debentures redeemed or converted thereafter.

(e) Other loans –
Other loans include the following:

(in thousands)	June 30 1982	1981
U.S. dollar bank loans owing by Skye ($6,644,020 U.S. and $6,212,000 U.S. at June 30, 1982 and 1981 respectively) (i)	$ 7,843	$ 7,132
Instalment loans owing by Skye at interest rates ranging from 7% to the prime lending rate of the company's banker plus 1% ($1,451,000 U.S. and $111,000 U.S. at June 30, 1982 and 1981 respectively)	1,794	126
U.S. dollar bank loan owing by Coal Corporation ($2,286,000 U.S.) (ii)	2,799	
12% promissory notes owing by Coal Corporation to former shareholders of Shaker ($178,000 U.S. and $1,074,000 U.S. at June 30, 1982 and 1981 respectively)	218	1,280
Equipment bank loan owing by Shaker ($1,786,000 U.S.) (iii)	2,187	
Instalment equipment loans owing by Shaker at interest rates ranging from 13% to 26%, ($1,695,000 U.S. and $2,454,000 U.S. at June 30, 1982 and 1981 respectively) (iv)	2,076	2,925
5% loan from the Province of Quebec, owing by Camchib (v)	714	797
Lease obligations and other loans at interest rates ranging from 10% to 14% ($462,000 U.S. and $702,000 U.S. at June 30, 1982 and 1981 respectively)	597	834
	$18,228	$13,094

(i) Skye's U.S. dollar bank loans bear interest at ¼% to 1¼% above U.S. prime lending rates. The loans are secured by Skye's interest in certain petroleum and natural gas properties, by an assignment of Skye's receivables and inventories and by certain coal properties and equipment.

(ii) Coal Corporation's U.S. dollar bank loan bears interest at U.S. prime plus ¼% and is repayable in ten equal semi-annual instalments commencing January 1982. This loan and the equipment bank loan referred to in (iii) below are secured by a charge on the assets of Coal Corporation and Shaker and by an assignment of their receivables and inventories.

(iii) Shaker's equipment bank loan bears interest at U.S. prime plus ¼% and is repayable over a minimum term of three years.

(iv) Shaker's instalment equipment loans mature in 36 months or less and are secured by the related equipment.

(v) Camchib's 5% loan from the Province of Quebec is repayable based on profits (as defined in the loan agreement) earned from Camchib's Cedar Bay Mine. At June 30, 1982 no amount (1981 – $179,000 included in current liabilities) was repayable under this provision.

The estimated principal repayments of other loans (excluding the loan from the Province of Quebec) for the next five fiscal years are as follows:

1983	$ 3,596,000
1984	2,600,000
1985	10,070,000
1986	820,000
1987	410,000

13. Capital stock

(a) Authorized and issued share capital – Changes in the issued and outstanding common shares of the company during the two years ended June 30, 1982 were as follows (there were no changes in the issued and outstanding shares during fiscal 1980):

	Number of shares	*Par or ascribed value*
Issued and outstanding on June 30, 1980	4,483,017	$ 4,483,017
Issued to Camchib for cash of $14,000,000	800,000	800,000
Issued to an employee under share option plan for cash of $16,875	2,500	2,500
Issued to shareholders of Skye in share exchange (note 4(b)(i))	1,012,246	1,012,246
Issued and outstanding at June 30, 1981	6,297,763	6,297,763
Issued to shareholders of Coal Corporation in share exchange (note 4(d)(ii))	94,650	94,650
Issued to shareholders of Skye in share exchange (note 4(b)(ii) and 17(b))	1,337,250	1,337,250
Reclassification of contributed surplus		43,926,658
Issued and outstanding at June 30, 1982	7,729,663	$51,656,321

At a special general meeting of shareholders held on July 14, 1980, resolutions were approved to (i) increase the company's authorized Class A shares of $1 par value each from 5,000,000 to 9,500,000 shares; (ii) create 5,500,000 first preferred shares of $15 par value each, issuable in series; and (iii) reclassify the Class A and Class B shares as common shares of $1 par value each.

The 1,012,246 common shares issued by the company effective June 30, 1981 in connection with the acquisition of shares of Skye as described in note 4(b) were assigned a value of $12,653,075. This amount, together with the total cash consideration of $14,016,875 received for the other common shares issued in fiscal 1981, exceeded the par value of the shares issued in the year by $24,855,204 which amount was credited to contributed surplus.

In August 1981, the company issued 94,650 common shares with an ascribed value of $1,183,210 in exchange for shares of Coal Corporation. Further, in December 1981, the company issued 1,337,250 common shares to acquire shares of Skye to which a value of $10,698,000 was ascribed. Of the total ascribed value of the shares issued, $1,431,900, being the par value of the shares issued, was recorded as share capital with the balance of $10,449,310 recorded as contributed surplus.

At a special general meeting held on December 30, 1981, the shareholders resolved to (i) increase the company's authorized common shares to an unlimited number and to change the shares from $1 par value each to shares without par value, and (ii) change the 5,500,000 authorized voting first preferred shares of $15 par value each to non-voting first preferred shares without par value and increase the authorized number of such shares to 10,000,000. As a result of the changes from shares with a par value to shares without par value, amounts previously classified as contributed surplus were re-classified as part of the ascribed value of capital stock for purposes of financial statement presentation.

As a consequence of the changes and share issues set out above, the authorized and issued share capital of the company was as follows:

			Number of shares
			June 30
	1982	*1981*	*1980*
Authorized –			
First preferred shares without par value	10,000,000		
First preferred shares of $15 par value each, issuable in series		5,500,000	
Class A shares of $1 par value each			5,000,000
Class B shares of $1 par value each			500,000
Common shares of $1 par value each		10,000,000	
Common shares without par value	unlimited		
Issued and outstanding –			
Class A shares			4,428,620
Class B shares			54,397
Common shares	7,729,663	6,297,763	
Total shares issued and outstanding	7,729,663	6,297,763	4,483,017
Less the company's pro rata interest in its own shares held by Camchib (see note 4(a)(iii))	841,253	843,318	
Net shares	6,888,410	5,454,445	4,483,017

(b) Share option plan –
In fiscal 1981, a share option plan was established for certain full-time employees and two key officers under which options to purchase 256,000 of the company's authorized but unissued common shares were outstanding at June 30, 1982. Such options are exercisable over the period to May 1986 as to 206,000 shares at $6.75 per share and 50,000 shares at $14.75 per share.

14. Earnings per share

The computations of basic earnings per share are based on the weighted average number of shares outstanding during the respective years, net of the company's weighted average pro rata interest in its own shares held by Camchib, as follows:

Year ended June 30	*Net weighted average number of shares outstanding*
1982	6,194,496
1981	4,336,580
1980	4,368,444

No dilution of earnings per share would result from the exercise of the share options described in note 13(b) or from any potential issue of equity shares by majority-owned companies, including the potential issue of common shares by Camchib on the conversion of debentures described in note 12.

15. Income taxes and mining duties

(a) Provisions for (recoveries of) income taxes and mining duties are as follows:

			Year ended June 30
(in thousands)	*1982*	*1981*	*1980*
Current –			
Canada	$ (558)	$ 9	
United States	6	(329)	
	(552)	(320)	
Deferred –			
Canada	(180)	815	$4,153
United States		739	
	$ (732)	$1,234	$4,153

The components of pre-tax income (loss) before the inclusion of the equity in the earnings of United and before deductions for minority interests and pre-acquisition earnings are as follows:

			Year ended June 30
(in thousands)	*1982*	*1981*	*1980*
Canada	$(3,295)	$4,059	$13,551
United States	1,471	1,923	(120)
	$(1,824)	$5,982	$13,431

(b) The difference between the expected income tax provisions (recoveries) using combined Canadian and U.S. federal, provincial and state basic statutory rates and the actual income tax and mining duties provisions (recoveries) is as follows:

	Year ended June 30		
(in thousands)	*1982*	*1981*	*1980*
Income taxes —			
Expected provisions (recovery) based on combined basic statutory rates	$(927)	$3,039	$6,621
Add (deduct):			
Resource allowances and depletion claimed in respect of prior years		(1,258)	
Current resource allowance	338	(922)	(1,041)
Current depletion	299	(518)	(566)
Additional production royalties	(164)	394	
Exempt income (i)			(1,505)
Tax benefit of losses not recorded for accounting purposes	(454)		
Sundry	291	134	(169)
Effective provision (recovery)	(617)	869	3,340
Mining duties —			
Expected provision (recovery) based on an average rate of mining income	(274)	897	2,015
Investment and treatment allowances	119	(389)	(873)
Reduction for income not subject to mining duties	40	(143)	(329)
Effective provision (recovery)	(115)	365	813
Combined income tax and mining duty provision (recovery)	$(732)	$1,234	$4,153

The applicable combined basic statutory income tax and average mining duties rates were 50.8% in fiscal 1982 and 1981 and 49.3% in fiscal 1980.

(i) Exempt income consists principally of dividends from Canadian corporations and the non-taxable portion of capital gains.

(c) Deferred taxes and duties arising from (reduced by) the deduction for tax purposes of amounts in excess of (less than) amounts charged in the accounts are as follows:

	Year ended June 30		
(in thousands)	*1982*	*1981*	*1980*
Depreciation	$(2,155)	$ 125	$2,694
Exploration, development and preproduction costs	1,236	(207)	1,203
Other	739	1,636	256
	$ (180)	$1,554	$4,153

(d) At June 30, 1982 the company and its subsidiaries had losses for tax purposes of $2,995,000 and investment tax credits and new job credits of $1,696,000 all of which are available to reduce taxes in future years. These losses and credits expire over the period to 1997. Realization of related tax benefits is dependent upon future profitability and, accordingly, no portion of such potential benefits has been recorded in the accounts.

16. Extraordinary items

During fiscal 1982, Camchib and Inverness issued common shares to outsiders (see notes 4(a) and (c)) at amounts per share which differed from the per share carrying value of Campbell's investment in those companies. The resulting net increase ($232,000) in Campbell's equity in Camchib and Inverness is recorded as an extraordinary item in the consolidated statement of income. During fiscal 1981 Camchib and Inverness issued shares which resulted in a gain of $10,422,000, net of related deferred income taxes of $585,000, which gain was similarly recorded.

17. Contingencies and commitments

(a) The company is a defendant, together with other companies, in an action in the Superior Court of the Province of Quebec, claiming an injunction to restrain defendants from any further mining activities in certain of the areas in which the company operates in the Province of Quebec and various amounts of damages, ($1,540,000 in the case of the company) based on alleged environmental contamination and interference with alleged rights of the Cree Indians. The action is being contested and management and counsel for the company are of the opinion that the company has a valid substantive defence to this action. In light of this opinion, no provision has been made in the accompanying financial statements for any liability which may result therefrom.

(b) Skye has been named the respondent in an action by a former shareholder of Skye pursuant to the amalgamation of Skye described in note 4(b) for a declaration that the former shareholder was a dissenting shareholder as to 100,000 Skye shares and is entitled to be paid the fair value in cash for its shares instead of receiving the shares of Campbell allocated in exchange therefor. No specific amount has been claimed and the results of the action are indeterminable at this time.

(c) Campbell and Camchib have been named defendents, together with other parties, in a class action suit in the United States District Court for the Southern District of New York. The suit alleges, among other things, that the company and Camchib violated certain provisions of the Securities Exchange Act of 1934 and the rules promulgated thereunder in connection with the purchase of shares of common stock of United Asbestos Inc. by the company and Camchib and a possible business combination between the company or Camchib and United. The suit seeks equitable relief, including recission of the sale of certain United shares to Camchib and damages of an unspecified amount. The results of the litigation are indeterminable at this time.

(d) In 1982, $15,278,000 of Coal Corporation's revenues ($9,704,000 in 1981) consisted of sales to Big Rivers Electric Corporation, a major electric utility. These sales are under a long-term sales contract which expires in 1989 and calls for the sale of approximately 360,000 tons of coal annually at prices which are subject to escalation based upon changes in certain price indices.

(e) Campbell and the holder of the 13% convertible secured debentures of Camchib described in note 12(c) have entered into a put/call agreement under which Campbell may be required prior to February 1, 1986 to purchase such debentures, or the special shares of Camchib obtained through the conversion thereof. The consideration would be common shares of Campbell issued from treasury, the number being determined by a formula based, in part, upon the stock market price of Campbell shares. Subsequent to January 31, 1986 Campbell will have the right to acquire the aforementioned debentures or special shares for Campbell shares on similar terms.

18. Related party transactions

(a) Certain investment transactions, as well as certain of the gold future transactions described in note 7, were effected through an investment dealer of which a director and officer of the company is an officer and shareholder. Commissions of $71,800 were paid on these transactions in the year ended June 30, 1982 (1981 – $92,000; 1980 – $58,000). In addition, interest of $219,000 in fiscal 1982 (1981 – $411,000; 1980 – $119,000) was earned by the company from cash deposits with this investment dealer. Included in cash and short-term investments at June 30, 1982 were securities with a value of $439,000 (1981 – $1,065,000) which were held by the investment dealer. Further, the aforementioned investment dealer was a member of the banking group in a public share offering made by Inverness in fiscal 1981.

(b) A director of Camchib is the President of a trucking company which provides transportation services to Camchib and the company. Further, the Chairman of Camchib is counsel to a law firm which provides legal services to Camchib and a partner in another law firm which provides legal services became a director of Campbell in fiscal 1982. The following amounts charged for such services are included in the consolidated statement of income:

Year ended June 30

in thousands	*Transportation services*	*Legal services*
1982	$1,251	$249
1981	1,062	120
1980	689	6

The amount for legal services in the year ended June 30, 1981 does not include $100,000 paid by the partnership referred to in note 9(a).

(c) At June 30, 1982 and 1981, directors and officers of the company and Camchib owned beneficially, directly or indirectly, $1,705,000 principal amount of the 10% convertible secured debentures of Camchib described in note 12(b).

(d) During fiscal 1982 Camchib earned $1,000,000 in equipment leasing and administrative services revenue from the partnership and exploration venture described in notes 9(a) and (b). This amount is included in other revenue in the consolidated statement of income.

(e) As part of the arrangements described below, Camchib has obtained voting rights to certain shares of Cullaton Lake Gold Mines Ltd. ("Cullaton") owned by others and carrying in excess of 50% of the votes attaching to all outstanding shares.

In fiscal 1982, Camchib entered into an agreement to provide management services to Cullaton and to direct the operations on its mining property located at Cullaton Lake, Northwest Territories, until December 31, 1984. Under the terms of this agreement, Camchib will recover all related costs and will be entitled to receive 10% of the operating profit, as defined, of the Cullaton mine. At June 30, 1982, Camchib had charged Cullaton $135,000 pursuant to this agreement none of which was received by that date. As the Cullaton mine had not achieved commercial production prior to June 30, 1982, no amount was due the company in respect of operating profits.

Also in fiscal 1982, Cullaton granted to Camchib the option, exercisable to December 31, 1984, to subscribe for up to 2,000,000 units of Cullaton, each unit consisting of (i) one Series A preferred share of $5 par value and two common shares at a price of $5 per unit, if the option is exercised prior to July 1, 1984, and (ii) except to the extent previously exercised, 0.6 of a Series A preferred share and two common shares at a price of $3 per unit if the option is exercised on or after that date. If Camchib fully exercises this option, its holdings in Cullaton, including the shares obtained for the guarantee described below, would total approximately 18% of the common shares of Cullaton outstanding.

At June 30, 1982, Camchib had guaranteed delivery by Cullaton of 16,500 ounces of gold to June 29, 1983 at an average price of Cdn. $429 per ounce. Subsequent to that date Camchib guaranteed $2,500,000 of Cullaton's bank borrowings. As consideration for the latter guarantee Camchib received 250,000 common shares of Cullaton.

(f) At June 30, 1982, Camchib had advanced $325,000 to United. This advance, which is included in receivables, bears interest at prime plus ¾%.

(g) During fiscal 1982, a director and officer of the company was granted a $100,000 non-interest bearing loan, repayable in 1987, for the purchase of shares of the company. In addition, a subsidiary loaned a director, interest-free, U.S. $55,122 repayable in April, 1983.

(h) In fiscal 1980, the company reimbursed out-of-pocket expenses of approximately $440,000 incurred by a Shareholders' Committee in a proxy contest between the Shareholders' Committee and the company's former directors. Members of the Shareholder's Committee were subsequently elected directors of the company. The amount reimbursed is included in general administration expense in the consolidated statement of income for the year ended June 30, 1980.

19. Canadian and United States generally accepted accounting principles

Accounting principles generally accepted in Canada specifically require that gains or losses resulting from transactions by a subsidiary or equity-accounted investee in its own shares such as those described in note 16 be included in the parent company's or investor's income. There is no generally accepted method of accounting for such differences in the United States. However, the Securities and Exchange Commission ("SEC") requires that if such differences are increases, they should be recognized in the parent or investor company's accounts as additions to paid-in capital rather than as gains included in income.

Accounting principles generally accepted in Canada do not specifically require one method of foreign currency translation and the company has chosen to translate its foreign assets, liabilities, revenues and expenses using the method described in note 2(f). Under generally accepted accounting principles in the United States effective during the period as described in Statement 8 of the Financial Accounting Standards Board, certain assets and liabilities translated at historical rates would be translated at year-end rates.

The accounting principles generally accepted in Canada for petroleum and natural gas operations, as described in note 2(c)(iv), differ from those generally accepted in the United States. Under generally accepted accounting principles in the United States the capitalized cost of property and equipment is limited to the present value of future net revenues from estimated production plus the lower of cost or estimated fair value of non-producing property all computed pursuant to SEC accounting rules ("cost ceiling"). Any excess is to be charged to operations.

Earnings for fiscal 1979 were restated from amounts originally reported for a change in the basis of accounting for deferred mining development costs adopted in 1980. As a result of the retroactive application of the change, retained earnings at June 30, 1979 was reduced by $2,469,000 from the amount originally reported. Under accounting principles generally accepted in the United States, the cumulative effect of the change on the amount of retained earnings at June 30, 1979 would have been included in net income in fiscal 1980.

The following table reconciles net income reported under Canadian generally accepted accounting principles to net income which would have been reported had accounting principles generally accepted in the United States and, in the case of transactions by a subsidiary or investee in its own shares, requirements of the SEC, been followed:

(in thousands except for per share information)	1982	1981	1980
			Year ended June 30
		(restated) (note 3)	
Net income for the year, as reported	$ 412	$13,609	$9,278
Deduct:			
Extraordinary items –			
Gain arising from issuances of share capital by majority-owned companies	288	10,422	
Loss which would have arisen from use of year-end translation rates	890		
Application of U.S. accounting principles for petroleum and natural gas operations	850		
Amounts which would have been reported under U.S. generally accepted accounting principles and SEC requirements –			
Income (loss) before cumulative effect of change in accounting principle	(1,616)	3,187	9,278
Cumulative effect on prior years of change in accounting basis described above, less related recovery of deferred income taxes of $1,499,000			(2,469)
Net income (loss) for the year under U.S. generally accepted accounting principles and SEC requirements	$(1,616)	$ 3,187	$6,809
Income (loss) per common share:			
Income before cumulative effect of change in accounting principle	$(0.26)	$0.74	$2.12
Cumulative effect of change in accounting principle			(0.57)
Net income (loss) for the year	$(0.26)	$0.74	$1.55

20. Capitalized costs and costs incurred in petroleum and natural gas producing activities

(a) Cumulative capital costs, together with related depreciation and depletion, incurred in petroleum and natural gas producing activities as at June 30, 1982 and 1981 and included in the consolidated balance sheets at those dates are as follows:

(in thousands)	Proved and unproved properties	Accumulated depreciation and depletion	Net value
June 30, 1982 –			
Canada	$34,243	$4,248	$29,995
United States	32,572	3,244	29,328
Total	$66,815	$7,492	$59,323
June 30, 1981 –			
Canada	$29,534	$2,727	$26,807
United States	25,487	773	24,714
Total	$55,021	$3,500	$51,521

(b) Costs incurred, together with related depreciation, depletion and amortization, in petroleum and natural gas producing activities during each of the three years ended June 30, 1982 are set out below. The amounts for fiscal 1982 and 1981 include the costs and related depreciation and depletion of Skye for the full year.

21. Net revenue from petroleum and natural gas producing activities

Net revenues from petroleum and natural gas production for each of the three years ended June 30, 1982 are as follows:

(in thousands)	1982	1981	1980
			Year ended June 30
Canada	$2,691	$2,085	$ 989
United States	5,540	5,573	196
Total	$8,231	$7,658	$1,185

Net revenues represent gross revenues from sales to unaffiliated customers less the related production costs. Production costs include lifting costs and royalties. Expenditures connected with the acquisition of, exploration for and development of oil and gas reserves and any depreciation, depletion and amortization of such costs that have been capitalized in the company's accounts are excluded from production costs.

(in thousands)	Canada 1982	1981	1980	United States 1982	1981	1980	Total 1982	1981	1980
Costs incurred									
Property acquisition	$ 488	$ 422	$ 89	$1,088	$1,720	$ 86	$1,576	$2,142	$ 175
Exploration	2,446	1,272	751	3,543	1,814	410	5,989	3,086	1,161
Development	1,862	1,450	265	2,763	4,015	82	4,625	5,465	347
Production expenses	990	802	137	2,972	2,580	39	3,962	3,382	176
Depreciation, depletion and amortization	894	1,177	295	3,022	1,953	318	3,916	3,130	613

1. Petroleum and natural gas reserves

The quantities of proved and proved developed petroleum and natural gas reserves are determined by the company's engineering staff. Petroleum is measured in barrels and natural gas is measured in millions of cubic feet. The quantities of petroleum and natural gas reserves as at June 30, 1982, 1981 and 1980 are set out below. Proved and proved developed reserves from the beginning of fiscal 1981 include the reserves of Skye whereas reserves disclosed for 1980 are those of Inverness only. Purchase of minerals in place in 1981 includes minerals in place of Skye Resources (Alberta) Ltd., control of which was acquired in that year.

1982

	Canada		*United States*		*Total*	
	Petroleum	*Natural Gas*	*Petroleum*	*Natural Gas*	*Petroleum*	*Natural Gas*
Proved reserves:						
Beginning of period	2,158,123	24,821	1,656,129	5,364	3,814,252	30,185
Revisions of previous estimates	53,504	2,798	(480,085)	(288)	(426,581)	2,510
Extensions, discoveries and other additions	140,650	3,189	311,010	846	451,660	4,035
Production	(89,657)	(878)	(157,480)	(937)	(247,137)	(1,815)
End of period	2,262,620	29,930	1,329,574	4,985	3,592,194	34,915
Proved developed reserves:						
Beginning of period	1,654,378	24,063	1,188,891	4,561	2,843,269	28,624
End of period	1,974,070	29,543	1,096,507	4,509	3,070,577	34,052

1981

	Canada		*United States*		*Total*	
	Petroleum	*Natural Gas*	*Petroleum*	*Natural Gas*	*Petroleum*	*Natural Gas*
Proved reserves:						
Beginning of period	176,315	9,440	1,334,388	5,134	1,510,703	14,574
Revisions of previous estimates	(33,578)		(203,753)	(1,430)	(237,331)	(1,430)
Purchase of minerals in place	2,088,780	13,967			2,088,780	13,967
Extensions, discoveries and other additions	2,976	2,462	673,705	2,411	676,681	4,873
Production	(76,370)	(1,048)	(148,211)	(751)	(224,581)	(1,799)
End of period	2,158,123	24,821	1,656,129	5,364	3,814,252	30,185
Proved developed reserves:						
Beginning of period	172,459	9,440	1,189,908	5,086	1,362,367	14,526
End of period	1,654,378	24,063	1,188,891	4,561	2,843,269	28,624

1980

	Canada		*United States*		*Total*	
	Petroleum	*Natural Gas*	*Petroleum*	*Natural Gas*	*Petroleum*	*Natural Gas*
Proved reserves:						
Beginning of period	39,857	8,300	121,400	673	161,257	8,973
Revisions of previous estimates			(85,857)	(473)	(85,857)	(473)
Extensions, discoveries and other additions	142,175	1,738	188,160	47	330,335	1,785
Production	(5,717)	(598)	(8,498)	(40)	(14,215)	(638)
End of period	176,315	9,440	215,205	207	391,520	9,647
Proved developed reserves:						
Beginning of period	34,765	8,196	85,600	673	120,365	8,869
End of period	172,459	9,440	70,725	159	243,184	9,599

The data presented above for 1980 incorporates available data which was for the fifteen-month period ended June 30, 1980.

The estimation of 1980 and 1981 Canadian petroleum and natural gas reserves has been restated to reflect the deduction of crown royalties.

2. Estimated future net revenues and the present value thereof

Estimated future net revenues from estimated production of the company's proved and proved developed petroleum and natural gas reserves and the present value of such estimated future net revenues as at June 30, 1982, 1981 and 1980 have been determined by the company's engineering staff and are set out below. In computing future net revenues, petroleum and natural gas prices used were equal to the actual year-end prices with no provision for increased prices. Future expenditures for both developing and producing the proved reserves are included in the calculations based on costs incurred in 1982 for similar activities. In determining the present value of estimated future net revenues, an annual discount factor of 10% was applied. Assumptions for prices, costs and the discount factor are based on guidelines issued by the SEC.

Estimated future net revenues as at June 30, 1982 are as follows:

	Canada		*United States*		*Total*	
(in thousands)	*Proved*	*Proved developed*	*Proved*	*Proved developed*	*Proved*	*Proved developed*
1983	$ 2,611	$ 2,985	$ 5,262	$ 6,002	$ 7,873	$ 8,987
1984	4,433	3,380	5,725	4,956	10,158	8,336
1985	3,537	3,470	4,936	3,964	8,473	7,434
Remainder	80,947	73,873	25,777	21,013	106,724	94,886
	$91,528	$83,708	$41,700	$35,935	$133,228	$119,643

The present value of estimated future net revenues from proved petroleum and natural gas reserves are as follows:

June 30	*Canada*		*United States*		*Total*	
(in thousands)	*Proved*	*Proved developed*	*Proved*	*Proved developed*	*Proved*	*Proved developed*
1982	*$32,214*	*$29,210*	*$25,416*	*$22,378*	*$57,630*	*$51,588*
1981	*$18,010*	*$19,456*	*$30,635*	*$23,034*	*$48,645*	*$42,490*
1980	*$ 9,049*	*$ 8,914*	*$ 2,696*	*$ 1,304*	*$11,745*	*$10,218*

3. Reserves recognition accounting ("RRA")

The SEC requires a statement of petroleum and natural gas producing activities and a statement of changes in present value of estimated future net revenues from proved petroleum and natural gas reserves on the RRA basis of valuation. Such statements bear no relationship to statements prepared on a historic cost basis in accordance with generally accepted accounting principles, and are not intended as an estimate of the fair market value of a company's petroleum and natural gas properties or anticipated cash flow from petroleum and natural gas exploration, production and development activities. The following accounting policies have been followed in the preparation of the RRA material presented below. The estimates of proved reserves have been prepared by company engineers.

Under RRA, an asset is recognized and earnings are recorded when proved reserves are added through exploration and development activities. A dollar evaluation (RRA evaluation) of proved reserves has been developed as follows:

(a) Estimates are made of quantities of proved reserves and the future time periods over which they are anticipated to be produced, based on economic conditions in existence at year-end.
(b) The dollar value of the estimated future production is based on prices and costs in existence at year-end. The company has not entered into any long-term contractual arrangements.
(c) The resulting estimated future gross revenue stream is reduced by estimated future costs to develop and produce the proved reserves, based on year-end cost estimates.
(d) The resulting estimated future net revenue stream is discounted at 10% per annum to determine its present value.

The estimated impact of major factors affecting annual changes in proved reserves based on year-end RRA evaluations of proved reserves was developed as described below:
(a) "New field discoveries and extensions" represents proved reserves added from drilling exploratory and development wells.
(b) "Changes in prices" represents the approximate effect of changes from one period to the next in the prices used in the RRA evaluation calculation.
(c) "Interest factor accretion of discount" is

computed in recognition of the increase resulting from the impact of the passage of time on the discounted cash flow approach to the evaluation of the proved reserves.

(d) "Other" includes the net effect of all changes affecting the RRA evaluation not otherwise reported.

(e) "Exploration and development costs" represents the costs of acquiring unproved properties and drilling exploratory wells which are deferred until the properties are evaluated and determined to be either productive or non-productive, at which time they are charged to expense. Other exploration costs are charged to expense as incurred.

Estimated future costs to develop proved reserves are deducted in the RRA evaluation of proved reserves. Subsequent revisions or estimated future development costs are included in revisions to reserves proved in prior years. Other development costs are charged to expense when related proved reserves are recognized.

(f) "Provision for income taxes" has been calculated using the income tax rates as calculated after making provision for the tax base for petroleum and natural gas properties, deductions for depletion and provisions for non-allowable royalties, petroleum and gas revenues taxes, and other expenses.

Production and Funds Flow –
Under RRA, because earnings are recognized when proved reserves are discovered and as the RRA evaluation of proved reserves changes, no earnings are reported when petroleum and natural gas is produced. Consequently, RRA earnings may differ substantially from funds generated or required by current exploration, development and producing operations.

Summary of Petroleum and Natural Gas Producing Activities on the Basis of Reserve Recognition Accounting

		Year ended June 30	
(in thousands)	*1982*	*1981*	*1980*
Additions and revisions to estimated petroleum and natural gas reserves:			
New field discoveries and extensions	$ 8,056	$15,072	$3,314
Purchases of reserves in place		11,211	
	8,056	26,283	3,314
Revision of prior estimates:			
Changes in prices	(364)	430	4,191
Interest factor accretion of discount	4,865	3,369	589
Other	556	(8,829)	(2,167)
	5,057	(5,030)	2,613
Total additions to proved reserves	13,113	21,253	5,927
Related exploration and development costs incurred:			
Acquisition of unproved properties	1,576	2,142	114
Exploration	5,989	3,086	1,433
Development	523	5,465	460
Purchase of reserves in place		24,428	
	8,088	35,121	2,007
Change in deferred costs	5,714	(14,017)	
	13,802	21,104	2,007
RRA earnings (loss) before income taxes	(689)	149	3,920
Provision for income taxes		235	1,185
RRA earnings (loss)	$ (689)	$ (86)	$2,735

Changes in Reserve Recognition Accounting Evaluation of Proved Petroleum and Natural Gas Reserves

		Year ended June 30	
(in thousands)	*1982*	*1981*	*1980*
Beginning of year	$48,645	$34,743	$ 6,476
Revisions to reserves proved in prior years	5,057	(5,030)	2,613
New field discoveries and extensions	8,056	15,072	3,314
Purchase of reserves in place		11,211	
Projected development costs incurred	4,103	307	460
Production, net of lifting costs	(8,231)	(7,658)	(1,118)
End of year	$57,630	$48,645	$11,745

The above summaries for the year ended June 30, 1981 includes the petroleum and natural gas activities of Skye for the full fiscal year including $22,998,000 representing the value of reserves at the beginning of that year.

Five Year Summary

Amounts in thousands of Canadian dollars unless otherwise shown
Years ended June 30

Financial Information	*1982*	*1981*	*1980*	*1979*	*1978*
Earnings					
Revenue					
Metals	$24,026	$28,997	$25,073	$11,884	$ 6,780
Coal	40,133	25,265			
Petroleum and natural gas	12,193	11,004	1,361	1,043	940
Operating income (loss) before administration, interest, provisions and taxes					
Metals	3,158	8,966	10,993	3,116	(417)
Coal	8,960	5,034			
Oil and gas	8,231	7,622	1,089	834	782
	20,349	21,622	12,082	3,950	365
Interest expense	6,920	4,311	356	180	15
General administration	5,558	3,873	1,662	633	489
Interest and other income	(2,841)	(2,422)	(589)	(468)	(581)
	9,637	5,762	1,429	345	(77)
Operating income before the undernoted*	10,712	15,860	10,653	3,605	442
Depreciation, depletion and amortization	12,536	9,878	3,153	1,814	1,685
Gain on sale of investment			5,931		
Income before income taxes, equity earnings, minority interests and extraordinary items	(1,824)	5,982	13,431	1,791	(1,243)
Income taxes (recoveries)	(732)	1,234	4,153	505	(462)
Share of earnings of equity accounted company**	1,713	424			
Minority interests and pre-acquisition earnings	(441)	(1,985)			
Extraordinary items	232	10,422			
Net income (loss)	$ 412	$13,609	$ 9,278	$ 1,286	$ (781)
Earnings (loss) per share					
Before extraordinary items	$0.03	$0.74	$2.12	$0.29	$(0.18)
Net income (loss) for the year	$0.07	$3.14	$2.12	$0.29	$(0.18)
Changes in Financial Position					
Sources					
From operations	$11,337	$ 9,678	$10,583	$ 3,434	$ 302
Share issues	12,828	34,062			
Increase in long-term debt	40,845				
Sale of investments			8,547		
Other	946	(142)	291	423	856
Total	65,956	43,598	19,421	3,857	1,158
Applications					
Expenditures on natural resource properties					
Metal mining	6,252	6,982	4,569	1,972	612
Coal mining	9,131	2,984			
Exploration	2,707	2,556	1,238	1,097	748
Oil and gas	12,190	5,744	1,929	1,276	2,104
	30,280	18,266	7,736	4,345	3,464
Purchase of shares	28,061	15,582	5,846	2,069	68
Reduction in long-term debt	12,865	10,967	80	730	202
Total	71,206	44,815	13,662	7,144	3,734
Increase (decrease) in working capital during the year	$ (5,250)	$ (1,217)	$ 5,759	$ (3,287)	$ (2,576)

*Including pre-acquisition income of $6,106,000 in 1981
**Restated – see note 3 to financial statements

Financial Information	1982	1981	1980	1979	1978
Financial Position					
Total assets	$171,618	$138,836	$48,737	$36,049	$33,278
Working capital	3,287	8,537	9,754	3,995	7,282
Long-term debt	47,632	18,646	760	3,373	571
Shareholders' equity	77,722	66,001	38,029	28,751	27,465
Per share	$10.05	$12.10	$8.71	$6.58	$6.29
Share prices (Canadian $) – high	$13.50	$20.38	$18.50	$12.50	$7.75
– low	$4.65	$7.00	$7.25	$5.00	$3.40
Number of common shareholders	5511	5419	5746	5866	6175
Operating Information					
Metal Mining					
Sales					
Pounds copper – in thousands	5,982	6,844	9,694	6,934	6,955
Ounces gold – in thousands	30	30	26	21	13
Ounces silver – in thousands	27	35	46	29	25
Production					
Tons milled – in thousands	424	434	480	326	244
Returnable copper lbs. – in thousands	6,186	6,316	9,261	7,943	6,213
Returnable gold ozs. – in thousands	31	30	26	21	17
Returnable silver ozs. – in thousands	29	29	41	33	23
Coal Mining					
Tons – in thousands	1,001	716			
Average price	$40	$35			
Oil and Gas Operations					
Production – before royalties					
Crude oil & natural gas liquids – bbls. – Canada	120,507	102,648	7,692	2,818	4,726
– United States	186,623	148,637	6,963	5,759	2,542
Natural gas – mcf – Canada	1,163,393	1,396,527	657,000	795,000	776,000
– United States	1,108,000	751,352	35,000	14,000	–

High-Low Market Prices by Calendar Quarter of Campbell Resources Stock

		American Stock Exchange (U.S. $)		Toronto Stock Exchange (Canadian $)	
		High	Low	High	Low
1982	Second Quarter	$ 5⅜	$3 9/16	$ 6½	$4.65
	First Quarter	7⅛	5	8¼	6⅛
1981	Fourth Quarter	8½	5⅞	10	6⅞
	Third Quarter	11½	5¾	13½	7
	Second Quarter	17¼	10	20⅜	12½
	First Quarter	17	10	20¼	11¾
1980	Fourth Quarter	15⅞	9⅞	18½	12
	Third Quarter	15⅞	12	18¼	14

Notes:
1. The principal trading market for Campbell common shares is the American Stock Exchange.
2. At September 22, 1982, there were 7,729,963 common shares outstanding.

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

Financial condition

Liquidity

The components of working capital from operations have changed over the three year period. Coal operations provided $8,960,000 in 1982 compared to $3,538,000 in 1981 and nil in 1980 when the initial investment was made. The petroleum and natural gas segment provided $8,856,000 in 1982 compared to $3,012,000 in 1981 and $1,089,000 in 1980. The metals segment provided $4,158,000 in 1982 compared with $8,966,000 in 1981 and $10,993,000 in 1980.

Working capital amounted to $3,287,000 at June 30, 1982 following declines of $5,250,000 and $1,217,000 in 1982 and 1981 respectively, and an increase of $5,759,000 in 1980.

Funds from operations subsequent to 1982 from the coal and oil and gas segments are expected to continue to increase while funds provided from the metals segment will be dependent on the outcome of mineral exploration programs and prices received for gold and copper.

Capital Resources

The 1982 expenditures on natural resource properties of $30,280,000 and purchases of shares of $28,061,000 were financed in part through funds generated from operations of $11,337,000, with the balance provided from working capital, raised through net borrowings of $27,980,000 and issues of capital stock of $12,828,000. In 1981 expenditures on natural resource properties of $18,266,000 were financed in part through funds generated from operations of $9,678,000 and the balance by the sale of treasury shares. In 1980 funds generated from operations exceeded expenditures on natural resource properties.

In December 1981 the Corporation's common shares were changed from $1 par value each to shares without par value and the number of authorized shares increased to an unlimited number. The 5,500,000 authorized voting preferred shares of $15 par value each were changed to non-voting first preferred shares without par value and the authorized number of such shares was increased to 10,000,000. These changes in authorized capital facilitated the issuance of shares to acquire the balance of Skye Resources Ltd. (Skye) shares held by outsiders. As a result of this successful exchange offer, Skye together with its wholly-owned subsidiaries Petroleum Reserve Corporation and Coal Enterprises Inc. became wholly-owned subsidiaries of Campbell as at December 30, 1981.

During the 1982 fiscal year Campbell increased its interest in Coal Corporation of America (Coal) to 80% from 52.8% held at the end of fiscal 1981. Subsequent to June 30, 1982 Campbell increased its interest in Coal to 100%.

In fiscal 1982 Campbell and Camchib acquired additional shares of United Asbestos Inc. (United) increasing their combined interest in United's outstanding common shares to 29.7%.

At June 30, 1982 shareholders' equity and long-term debt totalled $128,950,000, an increase of $40,887,000 over 1981. Shareholders equity and long-term debt totalled $88,063,000 at the end of fiscal 1981 and $38,866,000 at the end of fiscal 1980.

The debt/equity ratio at June 30, 1982, and for the two previous fiscal years, was 67:100, 33:100, and 2:100, respectively. This reflects the aggressive growth policies pursued by the Corporation since 1980.

Results of Operations

Income from metals mining declined in 1982 as compared to 1981 due primarily to lower metal prices. The volume of gold sold in 1982 was comparable to 1981 but the average selling price realized was 14% less. The Corporation follows the practice of selling a portion of its gold production forward. This policy has resulted in gains included in revenue of $4,101,043 in 1982 and $1,218,000 in 1981 and a loss of $1,725,000 in 1980. The volume of copper sold was down 13% from the 1981 level with the average selling price down 15% from the prior year. Income from metals mining declined in 1981 as compared to 1980, due to rising costs and to the decline in the volumes and the prices of copper sold. Production in 1980 was higher than in 1981 as a result of the mining of the surface pillar of the Original Mine.

Income from coal increased in 1982 as compared to 1981 due to a 40% increase in volume sold and a 14% increase in the average selling prices realized. Coal output increased in Kentucky with the opening of a third mine in June 1981 and the extensive upgrading of equipment. In Oklahoma operating changes increased the utilization of equipment to capacity. Campbell had no sales or income from coal operations in 1980.

Oil and gas income increased 8% in 1982 as compared to 1981. Production and sales of oil in Canada and the United States increased 17% and 26% respectively while gas in Canada decreased 17% and increased 48% in the United States during fiscal 1982 compared to 1981. Rising prices and improved netbacks also improved revenues in 1982 compared to 1981. Efforts to increase cash flow from existing oil properties continue to receive priority. Oil and gas income increased dramatically in 1981 compared to 1980 due to the acquisition of Skye Resources Ltd. in June 1981 and to the acquisition by Inverness of the Canadian assets of Skye in July 1980. Oil and gas revenues and income in 1980 were all derived from CCH Resources Ltd., the predecessor company to Inverness.

Interest and other income in 1982 included $1,000,000 in equipment leasing and administration services revenue which is materially greater than 1981. In 1981 interest income was due to the investment of funds from the public financing of Inverness and the sale of Campbell shares.

General administration in fiscal 1982 increased by 44% over fiscal 1981. The increase is due to staffing and higher occupancy costs. The increase of 133% in administration for 1981 over 1980 was due to the consolidation of the results of Skye, Inverness and Coal Corporation.

Interest expense on long-term and other debt in fiscal 1982 increased from 1981 as a result of the higher level of borrowings and record high interest rates experienced in the fiscal year ended June 30, 1982. In 1981 interest expense increased compared to 1980 due to the consolidation of Skye, Coal Corporation and Inverness as well as that incurred in connection with short-term financing of the expansion of Camchib.

The increase in depreciation, depletion and amortization in 1982 compared to 1981 was due primarily to depreciation charges relating to the major coal capital expenditures of $9,131,000 in the coal mining operations. The increase of 1981 over 1980 was due primarily to the consolidation of the results of Skye, Inverness and Coal Corporation.

Impact of Inflation

The Corporation's financial statements reflect many aspects of inflation, such as higher labour, material, energy and borrowing costs. Although in the resource industry reserves can be a significant hedge against inflation, selling prices are influenced by international events, government decisions, and changing market conditions and consequently may be more or less than general inflation.

Directors and Officers

Board of Directors

Harold N. Borts
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Paul A. Carroll*
Partner
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Stevenson & Mayer, Law firm
Toronto, Ontario

John J. Fleming**
Chairman of the Board
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Petroleum Company
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Ned Goodman*
Vice-President and Director
Beutel, Goodman & Company Ltd.
Investment Counsel
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Myron I. Gottlieb*
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Douglas W. Hilland**
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Petroleum Reserve
Corporation
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Eastern Provincial Airways
Commercial Air Carrier
Gander, Newfoundland

Max Tanenbaum
Honorary Director
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Hugh Mogensen
Vice-Chairman of the Board

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President and Chief
Executive Officer

Myron I. Gottlieb
Secretary-Treasurer

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Charles A. Krause
Vice-President, Exploration

Marion J. Stendon
Vice-President
and Assistant-Secretary

Christopher N. Letros
Assistant-Treasurer

* *Member of the Executive Committee*
***Member of the Audit Committee*

Corporate Information

A copy of the 1982 Annual Report on Form 10-K, filed with the United States Securities and Exchange Commission, is available on request to the Secretary of the Company.

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Auditors
Arthur Young, Clarkson
Gordon & Co., Toronto, Ont.

Registrar and Tranfer Agents
Montreal Trust Company
Toronto and Montréal
The Trust Company of New Jersey
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Stock Exchange Listings
American Stock Exchange
Montreal Exchange
Toronto Stock Exchange
Symbol: CCH

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