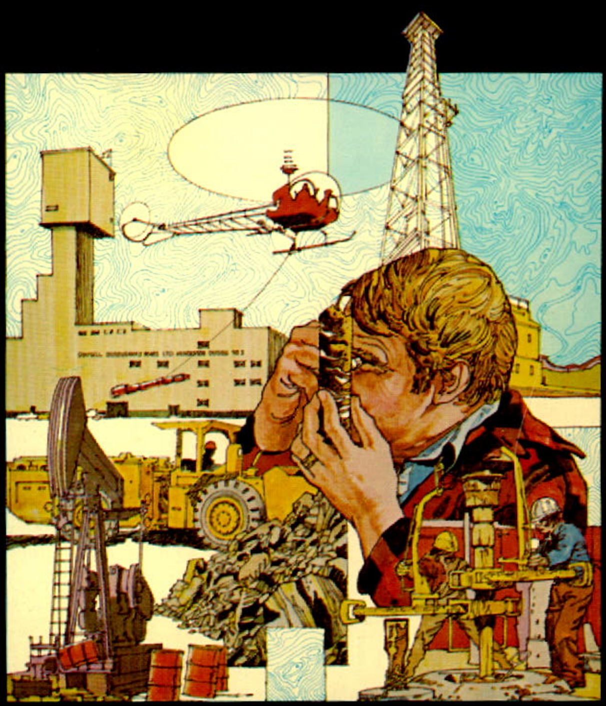
Campbell Chibougamau Mines Ltd.

1979 Annual Report



The Company

Campbell Chibougamau Mines Ltd. is a natural resource company, active in:

- the mining of copper and gold ores in Chibougamau, Quebec
- the production of and exploration for oil and natural gas in Western Canada and the United States
- managing mineral exploration joint ventures for base and precious metals, tin, tungsten and asbestos in Canada, Alaska and Mexico
- the exploration and development, with others, of a uranium deposit in British Columbia

Highlights

Financial —	**1979**	1978
Metal sales	**$ 11,884,000**	$ 6,780,000
Mining income (loss)	**$ 3,116,000**	$ (417,000)
Oil and gas income	**$ 834,000**	$ 782,000
Operating cash flow	**$ 3,616,000**	$ 445,000
Net Income (loss)	**$ 1,313,000**	$ (716,000)
Net income (loss) per share	**$ 0.30**	$ (0.16)
Equity per share	**$ 7.15**	$ 6.85
Metal Prices —		
Average copper price per lb.	**88¢**	61¢
Average gold price per oz.	**$ 259**	$ 183
Metal Sales —		
Copper — pounds	**6,934,000**	6,955,000
Gold — ounces	**21,478**	13,237

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

Summary of American Stock Exchange Sales Prices

	Class 'A' Shares	
Quarter Ended	**High**	**Low**
September 30, 1977	$ 3-5/16	$ 2-5/8
December 31, 1977	4-3/8	2-3/4
March 31, 1978	3-15/16	3-1/16
June 30, 1978	6-3/4	3-3/16
September 30, 1978	6-3/8	4-7/8
December 31, 1978	6-1/2	4
March 31, 1979	6-1/2	4-1/8
June 30, 1979	6-1/2	5-1/8

In March 1975, all common shares were reclassified into Class A shares with the right to convert on a share-for-share basis to Class B shares. Comparatively few shares were converted. Class B shares are not traded on the American Stock Exchange.

Company Operations

Directors' Report to Shareholders

Results for fiscal 1979 show improvement over those of the previous four years and underline the effectiveness of decisions made in 1975, firstly, to maintain the Company's metal mines on a standby basis until the inevitable upturn in metal prices, secondly, to expand the Company's diversification in the oil and gas industry, and thirdly, to make a major expansion in metal exploration by way of joint ventures.

Net income in 1979 was $1,313,000 or 30 cents per share compared to a loss of $716,000 in 1978. Operating cash flow increased eight-fold to $3,616,000 in 1979. This dramatic improvement was due in part to the planned higher gold production, with a 62% increase in gold ounces sold, accompanied by 40% increases in the price received for both gold and copper. In 1979, 50% of the metal sales came from sales of gold and silver and 50% from sales of copper.

As metal prices were rising, mine production was expanded. In May the milling rate rose from 26,500 tons to 38,000 tons per month. Tonnage milled was 34% higher in 1979.

With the major improvement in the price of gold, decision was made in June to dewater the Gwillim Gold Mine, some 18 miles from the Company's mill. Ore reserves have now been confirmed on the lower level and the mine will be placed back into production. A separate circuit to treat the gold ore is to be added to the Company's mill, accordingly, first pouring of gold bars is planned for next April.

During fiscal 1979, a further expansion of the Company's oil and gas interests took place through the acquisition on the open market of 494,500 shares of Peyto Oils Ltd., a well-regarded Canadian company with oil and gas production in Western Canada and the U.S. The shares acquired represent 17.3% of the issued shares of Peyto and were purchased at an average price per share of $10.71. The price per share on September 17, 1979 was $16.

In 1979, calculation of the uranium ore reserves and engineering feasibility studies were completed for the Blizzard uranium deposit in British Columbia. The Company holds a 13.5% interest in the deposit. Estimates of the known reserves, mineable by open-pit method, give 2,208,000 metric tons of ore, grading 0.2145% uranium oxide. A Royal Commission, appointed by the Government of British Columbia, is conducting a public enquiry into uranium exploration, mining and milling. Construction of the plant and the start of open-pit development await the Commission's report.

In February 1979, an option agreement was signed by the Company and its Mexican partner, with two major Mexican mining companies which have undertaken to explore for additional ore reserves at the Washington Mine and adjacent holdings of Trans-Rio in Northern Mexico. The Company and its associate, C.M. & S. Mines Inc., currently own a 49% equity interest in Trans-Rio. Should the three option stages be completed, a copper-tungsten-molybdenum mine is expected to be brought into production. The Company and C.M. & S. Mines Inc. will be paid $196,000 (U.S.) and will retain a 29% equity interest.

The Company continued its policy of organizing and managing joint ventures during the year. Having formed the Cortin Venture with a subsidiary of Inco Limited and Billiton Exploration Canada Ltd. for joint exploration for tin and associated metals in the Yukon, it was decided to organize a similar venture in Alaska. At this time the Company has secured the participation of a partner. Initial diamond drilling by the Cortin Venture on one prospect has given encouraging tin values, suggesting a major drilling program in the 1980 season.

Metal prices have increased significantly from the averages for fiscal 1979. If current prices are maintained through the current fiscal year, we look forward to significantly higher net income and cash flow. The diversification achieved in the natural resource sector should make a major impact on the Company's earnings in the next five years.

As Directors, we extend warmest thanks and deep appreciation to all those capable people whose enthusiastic work made possible the accomplishments of the past year and which has set the stage for a challenging and exciting future.

On behalf of the Board,

J. N. BLINKOFF,
Chairman of the Board

C. L. McALPINE,
President and
Chief Executive Officer

September 24, 1979

Report on Operations

The Mill and Original Mine at sunrise. (Photo L. Chapman)

Mining

Results for the Company's 24th year of operations in Chibougamau were highlighted by a 34% increase in tonnage milled over the previous year with the highest metallurgical recoveries ever attained. 1979 income from mining operations before amortization and taxes rose to $3,116,000 from a loss of $417,000 in 1978.

Production for fiscal 1979 was 326,480 tons, grading 1.33% copper and 0.080 ounce of gold per ton as compared to 244,023 tons, grading 1.40% copper and 0.083 ounce of gold per ton in fiscal 1978. Milling operations were expanded during the year to accommodate the larger tonnage mined. The minor decrease in metal grades was more than offset by the record metal recoveries. Copper recovery was 95.95% and gold recovery was 86.67%.

Henderson Mine production was increased by 45% over 1978 and major emphasis was placed on extracting the high-grade gold ore recently proven through exploration on the lower levels of the mine. Some 218,000 tons of new gold-copper ore were added to the Henderson ore reserves during the year. Further exploration in this favourable area is being given high priority.

At the Cedar Bay Mine, tonnage produced rose by 19% over the previous year. The gold grade of the ore was maintained at 0.122 ounce in gold per ton, to take advantage of the significant increase in the price of gold. The grade of copper was lower by 15%, however, total pounds of copper produced from this mine were greater than in fiscal 1978.

A further increase in production came from surface pillar recovery at the Original Mine within 500 yards of the mill. Some 60,000 tons of ore, grading 0.1 ounce in gold and 0.9% copper per ton will be mined before winter by efficient, low-cost open pit methods. By year end just over 18,000 tons of this ore had been processed through the mill.

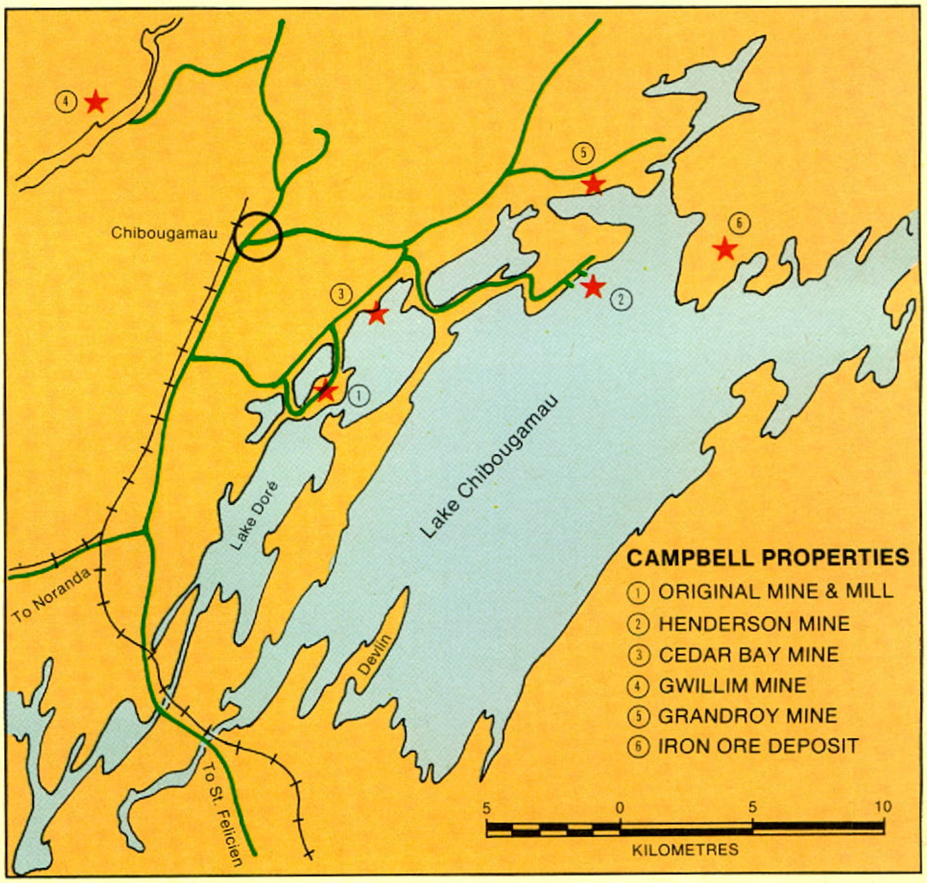
Costs per ton for mining, milling and administration rose by 6.2%. Cost control and increased productivity have aided in keeping this increase below the increase in the Canadian Cost of Living Index.

As the price of gold increased in the last six months, a review was carried out on the feasibility of placing the Company's Gwillim Gold Mine back into production, some 18 miles from the Company's mill in Chibougamau. The mine had been developed by decline in 1974 and after producing a bulk sample of some 16,000 tons of gold ore, was allowed to flood in 1975, due to dropping metal prices. The mine is presently accessible only by boat or by a winter ice bridge and thus the decision to re-open depended on confirming mineable ore reserves, constructing a bridge and improving the road to reach the mine more efficiently. Dewatering was completed and drifting on the 350 level of the mine has confirmed a strike length of 255 feet of ore, grading 0.184 ounce of gold per ton over a width of 6.7 feet. The last 103 feet of this drive has produced an overall grade of 0.341 ounce of gold per ton. Proven mineable ore reserves have been confirmed and total at this time some 135,000 tons, grading 0.204 ounce in gold per ton after mining dilution. The drift on the 350 level is still in ore and will add to the reserves. The potential exists for additional ore reserves at depth and in parallel occurrences.

It was also decided to add a separate gold recovery circuit to the Company's mill to improve the total gold recovery from this ore to at least 95% compared to approximately 78% if the material is processed through the present copper-gold circuit.

The decision to put the mine back into production was made in September. The bridge and new road should be in place by December. The addition to the mill should be completed early in calendar 1980. Mine ore production will be stockpiled until then, so that the first pouring of gold bars should be made in April next.

CHIBOUGAMAU AREA



Report on Operations

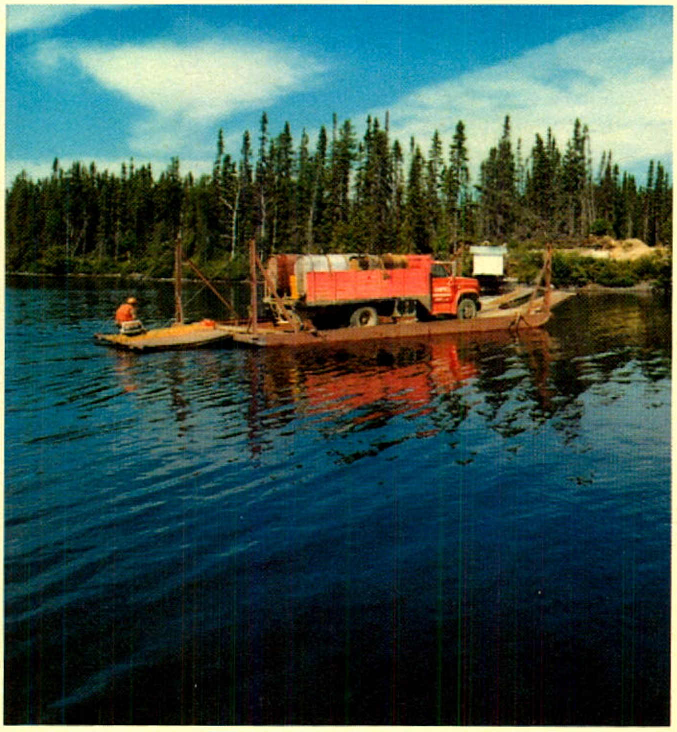
Ore reserves at the Company's properties in Chibougamau may be summarized as follows:

	June 30, 1979			June 30, 1978		
	Tons	% Copper	Gold oz./ton	Tons	% Copper	Gold oz./ton
Proven	6,671,000	1.46	.037	6,769,000	1.49	.036
Probable	2,270,000	1.35	.050	2,253,000	1.36	.050
Total	8,941,000	1.43	.040	9,022,000	1.46	.040

Ore reserves are determined in a consistent manner from year to year. No allowance, however, is made for mining dilution which can affect both tonnage and grade, nor are adjustments made to the reserves as metal prices fluctuate. Surface and boundary pillars, consisting of 1,199,000 tons, grading 2.53% copper and 0.033 ounce of gold per ton are not included in the summary. Most of this pillar ore is located under Lake Chibougamau to protect the workings of the Henderson Mine. Unless the area above the pillars is dammed off and drained, at the moment a very costly project, extraction of any of this material will not likely be possible until the termination of the Henderson Mine, at present a considerable number of years away.

(Photo J. P. Mathieu)

Hauling ore at the Gwillim Gold Mine.



(Photo J. P. Mathieu)

Barging material to the Gwillim Gold Mine during dewatering.

Oil and Gas

Cash flow from the oil and gas operations of the Company's subsidiary, CCH Resources Ltd., (CCH) continued to climb in fiscal 1979, rising to $834,000 from $782,000 in 1978. Gas production expanded after a decline in fiscal 1978, increasing to 809,000 mcf. in fiscal 1979 from 776,000 mcf. in fiscal 1978, despite extra periods of shutdown due to surplus gas under contract in Alberta. Cash flow from U.S. operations increased to $58,000 in 1979 from $22,000 in 1978.

CCH participated in the drilling of 55 wells in Canada and the U.S.A., 15 at no cost to the Company, 31 wells were successful, 19 wells were drilled and abandoned and two were service wells. Three wells were drilling in Canada at year end and await testing.

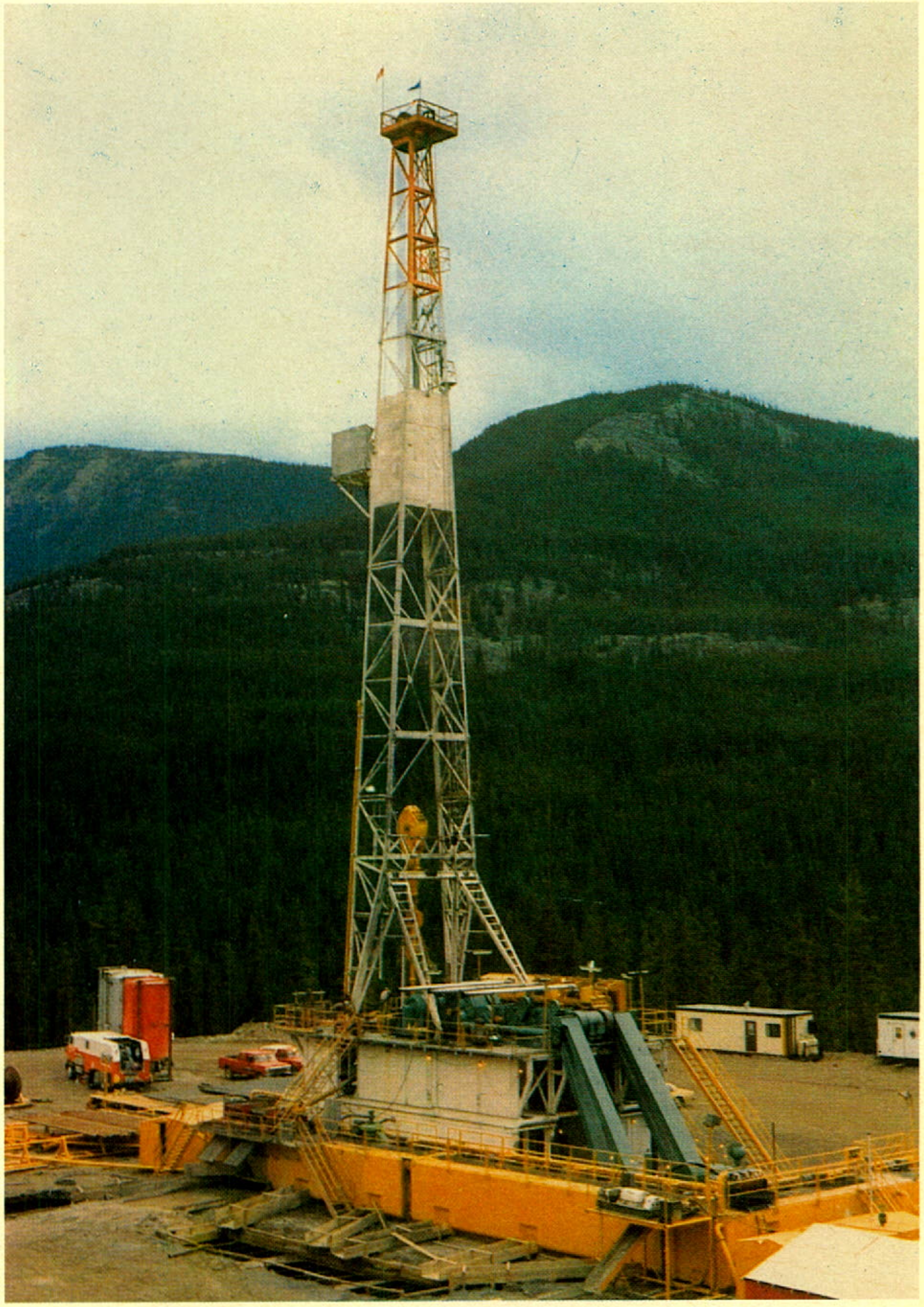
In fiscal 1979 CCH concentrated its efforts on evaluating its lands and adding some prospective areas through land acquisitions and farm-ins.

Areas of Special Interest

Alberta

Seebe-Sibbald Creek

The well, Shell, et al Gap Lake 6-4-24-7 W5 was spudded on March 21, 1979 in the Foothills west of Calgary, and at year end was drilling near total depth. Subsequently, the well reached total depth of 4,115 meters or 13,500 feet and after running a string of test casing the rig was released on August 7, 1979. The well will be evaluated through the casing utilizing a service rig and it is expected that this work will be undertaken shortly. Having obtained a partner to finance its share of drilling costs, CCH now owns a 5.75% interest in the 3,840 acres. If successful, this well could make a significant addition to the Company's gas reserves.



Drilling rig at the Gap Lake well in the Foothills of Alberta. (Photo P. Podmaroff)

Report on Operations

Bigoray (Pembina Area)

Extensive seismic was conducted on our 17%-owned lands to evaluate the Nisku and other potential horizons productive in the vicinity. The seismic surveys did not indicate any Nisku anomalies and after year end a well was drilled to evaluate shallower horizons down to and including the upper part of the Mississippian. A potential hydrocarbon-bearing zone was indicated in the Lower Cretaceous and casing was run to evaluate its potential after open-hole testing proved unsuccessful. The well has been completed and is currently recovering completion oil.

Venice

In this area CCH has a 9.775% interest in 33,774 acres of leases. CCH and its partners conducted an extensive seismic survey and are currently involved in a large drilling program to establish new reserves. The lands are under a gas purchase contract and additional reserves found can be sold. To the end of the fiscal year, two wells were completed as gas wells and subsequently another five successful wells were drilled. Four more locations are planned.

North Ghostpine

CCH has interests in 7,360 gross acres in this area and during the year it participated in five wells which resulted in five gas completions.

Saskatchewan

Six wells were drilled on CCH's lands. CCH participated in one well which resulted in an oil discovery in which CCH has a 25% working interest. A follow-up well will be drilled shortly. The other five wells were unsuccessful and were drilled at no cost to CCH. Additional lands were also purchased. A 5,734 acre drilling reservation has been farmed out and will be drilled by others.

Oklahoma

CCH holds interests from 30% to 44% in 2,720 acres in Osage County in Oklahoma with oil and gas production from four locations on this acreage. 5,500 barrels of oil were produced in 1979. Thirteen wells were drilled during the fiscal year, two of which were salt water disposal wells. Eight of the other eleven wells were completed successfully. CCH's current production is 25 barrels of oil per day and 56 mcf of gas per day. The price of crude oil increased dramatically towards the end of the fiscal year and in July the average price paid was almost $25 per barrel. Additional development and exploration drilling is being carried out.

Evaluation of Oil and Gas Properties

An evaluation by independent consultants of CCH's oil and gas reserves and unproven properties as at March 31, showed a 32% increase in the value of CCH's assets in the year after deducting the year's oil and gas production. The evaluation is summarized in the adjoining table:

	Net Reserves after Deduction of Royalties		Present Worth Discounted at 12% before Income Taxes	
	March 31/79	March 31/78	March 31/79	March 31/78
Oil (proven)	143,500 bbls.	225,100 bbls.	$ 1,090,900	$ 989,400
Oil (probable)	198,300 bbls.	281,200 bbls.	244,200	146,100
Total Oil	341,800 bbls.	506,300 bbls.	$ 1,335,100	$ 1,135,500
Gas (proven)	7,966 Mmcf.	6,185 Mmcf.	7,257,100	5,574,500
Gas (probable)	828 Mmcf.	1,005 Mmcf.	221,500	247,100
Total Gas	8,794 Mmcf.	7,190 Mmcf.	7,478,600	5,821,600
Total Oil and Gas			8,813,700	6,957,100
Unproven properties			2,459,300	1,588,000
			$11,273,000	$ 8,545,100

Unproven properties consisted of 107,000 net acres at March 31, 1979 as compared to 108,000 net acres at March 31, 1978.

Peyto Oils Ltd.

In the past four years, as part of the Company's expansion program, the Board has considered both the acquisition of oil and gas properties and investment in successful oil and gas companies. The Board decided in August, 1978 to make an initial investment in the shares of Peyto Oils Ltd., a Canadian company with capable management and oil and gas production in both Western Canada and the U.S. Shares of Peyto are listed on the Toronto Stock Exchange. 494,500 shares, constituting 17.3% of Peyto's 2,854,583 outstanding shares, were acquired during the year, at an average cost of $10.71 per share. The $5,294,000 purchase was partially financed by a bank loan of $3,347,000 and the balance from working capital. The market price of the Peyto shares was $16 per share on September 17, 1979.

Exploration

The Exploration Division expanded its staff and its areas of operations in Canada during fiscal 1979 and also extended its operations into the United States. A new Exploration Office was established in Vancouver in February to supervise and expand exploration activity in Western Canada and Alaska.

The Company adheres to its policy of pursuing exploration through formation and management of joint ventures. The development of projects suitable for such ventures forms an important part of the activities of the Exploration Division.

Uranium

General

The Norcen Uranium Joint Venture, managed by Norcen Energy Resources Limited, in which the Company holds a 15% interest, has continued active exploration in British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia. In Northern Saskatchewan the Venture has acquired a 33⅓% interest in a property where numerous radioactive boulders have been found, many of them high grade. Studies to locate the source of the boulders have been instituted.

Blizzard Property

The Blizzard property, located in British Columbia, contains a significant uranium deposit in which the Joint Venture has a 90% undivided interest, subject to a 20% net profit interest. Drill-indicated ore reserves are calculated by an independent engineering firm to be 2,208,000 metric tons grading 0.2145% uranium oxide and containing over 10,000,000 pounds of uranium oxide. The deposit lies close to the surface and can be mined by the open-pit method.

Mining of the deposit must await the outcome of the enquiry by the Royal Commission on Uranium Mining, set up by the Government of British Columbia. The Commission has held community meetings in various centres throughout the Province and is scheduled to hold technical meetings from September 1979 to February 1980. The findings of the Commission are expected to be released in 1980.

Construction of the plant and the start of open-pit development are anticipated within two years of obtaining all necessary Government approvals.

In the general area of the Blizzard deposit, geochemical and geological surveys have indicated other promising targets that will be drill-tested during fiscal 1980.

Tin

The Cortin Joint Venture, a search for tin and associated mineral deposits in the Western Cordillera of Canada, is now in its third year and continues to provide considerable encouragement.

Airlifting Diamond Drill equipment — Yukon. (Photo A. Woodsend)

Report on Operations

The Joint Venture is managed by the Company, with funding shared equally between the Company, Canadian Nickel Co. Ltd. (a subsidiary of Inco Limited) and Billiton Exploration Canada Ltd.. Two claim groups, consisting of 255 claims, are held by the Joint Venture in the Atlin and Jennings River areas of British Columbia and 10 groups, totalling 648 claims, have been staked in the Mayo area of the Yukon Territory. The entire project is managed from a field office in Mayo.

Cassiterite (the most common economic tin mineral) has been located in a number of areas near Mayo and drilling has commenced with very encouraging results from the initial holes.

As a result of the knowledge gained under the Cortin Joint Venture, a new Joint Venture was formed in early 1979, with one partner, to explore for tin and associated metals in Alaska. The Company, through its U.S. subsidiary, CCH Resources Inc., manages this Venture, contributing 55% of the cost

Initial results from the first season's field work in Alaska confirms the original exploration concept to be valid and it is anticipated that a number of properties will be acquired by the end of the field season. The budget for this first year of the Joint Venture is $200,000 (U.S.).

Geologists examining mineral showing — Yukon. (Photo C. A. Krause)

Base Metals

The Company manages three Joint Venture Projects in Quebec. The main Joint Venture in the Chibougamau area has entered its fourth year, with an increased annual budget of $300,000. During the past year, field work, including drilling, was carried out on 19 properties. Additional diamond drilling on the Belle copper-gold-cobalt zone discovered in 1978, has confirmed the similarity in the geological setting with the Opemiska Mine, some 30 miles away. However, the erratic nature of the mineralization has necessitated a detailed geochemical and structural evaluation to guide further drilling in this zone.

In the Echouani Joint Venture area, ground geophysical work over electromagnetic anomalies located in a 1977 airborne survey, has established several drill targets. In addition, extensive regional geological mapping in the enlarged Joint Venture area has successfully identified several Abitibi-type volcanic belts with base metal mineralization. A major airborne electromagnetic survey over the belts was completed this spring, which located conductive zones warranting follow-up. Eighty-seven claims have been staked. Further staking, ground follow-up and drilling are planned for next year.

In the South Chibougamau Joint Venture area, limited ground geophysical work confirmed the westward extension of a known untested conductor near the property boundary. Two additional claims have been staked. Trenching and diamond drilling are planned to test the source of the conductor.

In addition to the above Joint Venture Projects, geophysical work on five wholly-owned properties has defined conductive zones. Further detailed work is planned for the next year. This includes a major diamond drill program on the S-3 zone, a gold-copper occurrence discovered some years ago under Lake Chibougamau in the Henderson Mine area.

In British Columbia five claim groups, containing some 3,000 acres, have been staked in the Stewart-Terrace-Hazelton area, for their base and precious metals potential. Also, in British Columbia a reconnaissance survey for chromite was undertaken this year which has resulted in the acquisition of a group of claims in the south part of the Province.

A new base metal project has been initiated in the Caledonia Highlands of

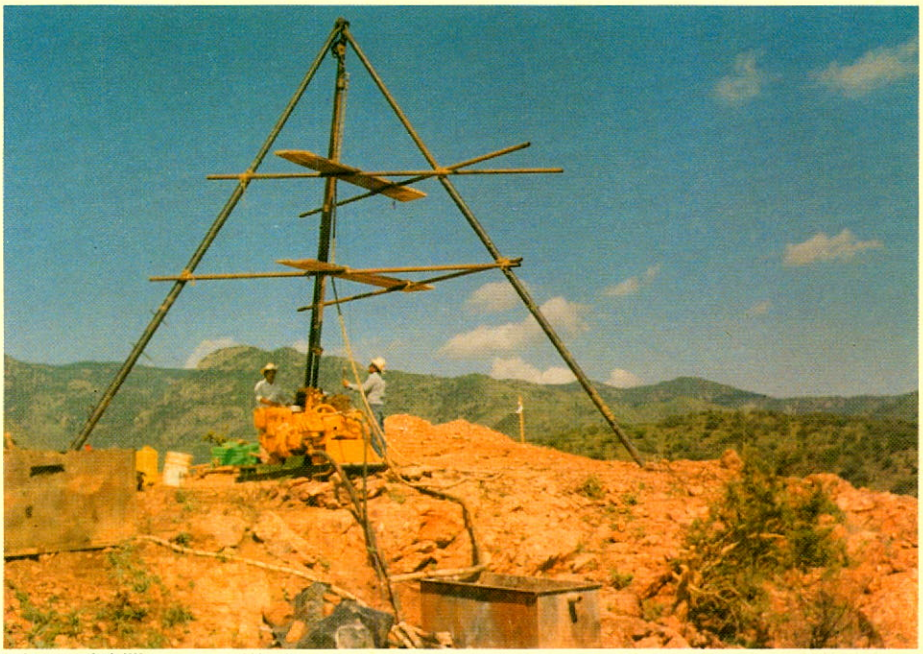
Southern New Brunswick. Renewed interest in this area results from the recent recognition that the nature of several small base metal deposits which were mined around the turn of the century could be an indication of larger high-grade deposits in the vicinity. The New Brunswick Government is planning to release an airborne electromagnetic survey of this area. Thirty claims have been staked, covering known base metal prospects and old mines. It is expected that these claims will form the basis of a new joint venture for next year.

Asbestos

Test results of 50 drill-core samples sent to the Quebec Asbestos Pilot Plant from the Company's Chibougamau asbestos claims, have confirmed the presence of good quality but short slip and cross fibre asbestos. Although the results to date are encouraging enough to warrant further drilling to assess the economic potential of the known asbestos zone, the Company's partners have withdrawn from the Joint Venture. A project proposal is being prepared to interest others in a new venture.

Iron Ore

The Company continues to maintain its FerChib iron ore claims in Chibougamau. The deposit contains some 272 million metric tons of proven ore, grading 29% iron, sufficient for a 20-year mining operation producing four million tons of iron concentrate or pellets per year. It is unlikely that new Canadian iron mines will be brought into production at this time, due to the reduction in world demand for steel. It is expected, however, that the FerChib project will be developed when steel demand improves and the advantages of major infrastructure already in place for the FerChib iron project are recognized.



Diamond drilling on the Washington Mine property in Mexico. (Photo A. Daco)

Mexico

An Agreement was signed on February 14, 1979 between Compania Fresnillo S.A. (Operator), Mina Peñoles S.A. de C.V., CISA and Cia. Minera Trans-Rio S.A. de C.V., a Mexicanized company, in which the Company and an associated company, C. M. & S. Mines Inc., own 49% of the shares. The Agreement grants Fresnillo-Peñoles an option of up to two years in which to assess the Washington Mine and adjacent holdings, with a view to increasing ore reserves prior to a production decision.

With an exploration expenditure of $500,000 (U.S.), Fresnillo-Peñoles will have the option to acquire 71% of the shares of Trans-Rio. After Fresnillo-Peñoles have spent $2,840,000 (U.S.), the Company and C.M. & S. Mines Inc. (in which the Company holds 42% of the outstanding shares) will be responsible for 29% of any further expense to bring the properties into production and will own 29% of the shares, the maximum available to the Canadian companies under Mexican law.

Fresnillo-Peñoles have accelerated their first year expenditures to more than double those required under the Agreement. Surface diamond drilling has commenced on the first of six targets planned for testing in 1979. At the same time, the shaft at the Washington Mine is being rehabilitated to permit diamond drilling at depth from the bottom 600 level later this year. Proven reserves in the Washington Mine to the 800-foot elevation are 1.4 million short tons, grading 1.69% copper, 0.14% tungsten trioxide, 0.06% molybdenum, 0.44 ounce of silver and 0.005 ounce of gold per ton.

In addition to the Trans-Rio properties under option to Fresnillo-Peñoles, the Company has three other groups of claims in the State of Sonora. Two groups are porphyry copper-molybdenum prospects in which several companies have shown interest in participation. The third group of claims has gold potential and is being prepared for presentation as a joint venture project next year.

Senior Operating Staff

Mining Operations

Jean C. Rouvier
Assistant Mine Manager and Chief Engineer

J. Yvan Côté
Superintendent of Metallurgy

Lyall W. Chapman
Executive Assistant — Planning

Fernand J. Lemieux
Mine Superintendent — Open Pit and Gwillim

Enrico Boiocchi
Mine Superintendent — Henderson

Clem Nadeau
Mine Superintendent — Cedar Bay

A. James Margolis
Chief Accountant

W. Baxter Goss
Manager — Systems and Data Processing

John Oelsner
Mine Accountant

René Martineau
Manager — Personnel

Laurent Nolet
Superintendent of Maintenance

André Cauchon
Mill Superintendent

Leo Côté
Chief Mine Geologist

Dillon Tanguay
Master Mechanic

Marcel Rouleau
Chief Assayer

Gilbert Lamarche
Mine Purchasing Agent

Oil and Gas Operations

Peter Podmaroff
Chief Engineer

Exploration

TORONTO

Frank Guardia
Exploration Manager

Dr. K. Sethuraman
Chief Research Geologist

CHIBOUGAMAU

Bill Hamilton
Field Manager — East

VANCOUVER

Gordon Ford
Field Manager — West

Angus Woodsend
Field Manager — North

MEXICO

Alfonso Daco
Chief Exploration Geologist

Executive Office

Paul A. Quigley
Executive Office Accountant

Financial Report

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Auditors' Report

To the Shareholders of Campbell Chibougamau Mines Ltd. (No Personal Liability):

We have examined the consolidated balance sheet of Campbell Chibougamau Mines Ltd. (No Personal Liability) as at June 30, 1979 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended 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 affairs of the Company as at June 30, 1979 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ARTHUR YOUNG, CLARKSON, GORDON & CO.
Chartered Accountants

Toronto, Canada,
August 17, 1979.

Five Year Review

(Amounts in thousands of Canadian dollars except per share figures)

Financial Performance	1979	1978	1977	1976	1975
Sales	**$ 11,884**	$ 6,780	$ 5,906	$ 1,412	$ 14,159
Operating income (loss) on mining operations	**3,116**	(417)	(1,069)	(1,746)	(1,931)
Operating income — oil and gas	**834**	782	616	100	—
Interest and other income	**299**	569	917	778	1,204
Corporate administration	**633**	489	539	510	607
OPERATING CASH FLOW — positive (negative)	**3,616**	445	(75)	(1,378)	(1,334)
Amortization — mining operations	**1,427**	1,292	1,555	341	2,142
— oil and gas	**356**	294	139	81	—
Income (loss) before special item and deferred taxes	**1,833**	(1,141)	(1,769)	(1,800)	(3,476)
INCOME (loss) before extraordinary and special items	**1,313**	(716)	(1,083)	(1,132)	(2,103)
Per share	**$ 0.30**	$ (0.16)	$ (0.25)	$ (0.26)	$ (0.48)
Extraordinary and special items — (loss) gain	**—**	—	(2,912)	555	—
Net gain (loss)	**1,313**	(716)	(3,995)	(577)	(2,103)
Per share	**$ 0.30**	$ (0.16)	$ (0.91)	$ (0.13)	$ (0.48)
Capital outlays — mining operations	**1,972**	612	167	546	3,440
— oil and gas	**1,276**	2,104	1,179	287	183
— exploration	**1,097**	748	625	493	770
Financial position					
Working capital	**$ 3,995**	$ 7,282	$ 9,858	$ 11,877	$ 12,763
Shareholders' equity	**31,220**	29,907	30,623	34,618	35,195
Per share	**$ 7.15**	$ 6.85	$ 7.01	$ 7.92	$ 8.05
Sales Data					
Pounds copper sold — in thousands	**6,934**	6,955	6,386	1,656	15,700
Average copper price — per lb.	**87.84¢**	60.78¢	64.53¢	55.48¢	70.28¢
Ounces gold sold — in thousands	**21**	13	13	3	17
Average gold price — per oz.	**$ 259.21**	$ 183.41	$ 133.90	$ 168.69	$ 165.20
Ounces silver sold — in thousands	**29**	23	19	4	62
Average silver price — per oz.	**$ 7.83**	$ 5.35	$ 4.59	$ 4.88	$ 4.38
Natural gas — mmcf	**809**	776	847	280	137
Operating data					
Tons milled — in thousands	**326**	244	288	45	578
Returnable copper lbs. — in thousands	**7,943**	6,213	7,989	1,019	11,825
Returnable gold ozs. — in thousands	**21**	17	14	3	15
Returnable silver ozs. — in thousands	**33**	23	23	4	48

Notes:

1. Normal mining operations were suspended in fiscal 1976.
2. 1975 results only show nine months' operations due to the strike.

Management's Discussion and Analysis of Operations

Comparison of Fiscal Years 1979, 1978 and 1977

All references in the following discussion to the years 1979, 1978 and 1977 are references to fiscal years, unless otherwise indicated.

Earnings

The Company earned a net profit after income taxes of $1,313,000 (30¢ per share) in 1979, as compared to a loss of $716,000 (16¢ per share) in 1978 and to a loss of $3,995,000 (91¢ per share) in 1977. The loss in 1977 included a special write-down of mining properties and deferred development amounting to 66¢ per share. Detailed analysis follows.

	1979	1978	1977
	(in thousands except Earnings per share)		
Key Amounts			
Income before Amortization and Taxation			
— mining	$3,116	$(417)	$(1,069)
— oil and gas	834	782	616
Operating Cash Flow	3,616	445	(75)
Net Income (loss)	1,313	(716)	(3,995)
Earnings per share	30¢	(16¢)	(91¢)

The principal reasons for the improvement in mining income are higher metal prices and increased output of gold. The following table summarizes the changes in metal prices, volumes and revenues:

	1979	1978	1977
Metal Sales (000)	$11,884	$6,780	$5,906
Tons Milled (000)	326	244	288
Average Selling Price			
Copper — per lb.	87.8¢	60.8¢	64.5¢
Gold — per oz.	$259	$183	$134
Quantities Sold			
Copper — lbs. (000)	6,934	6,955	6,386
Gold — ozs.	21,478	13,237	12,681
Returnable Metals Produced			
Copper — lbs. (000)	7,943	6,213	7,989
Gold — ozs.	20,881	16,586	13,535
Inventories at June 30			
Copper — lbs. (000)	2,874	1,865	2,607
Gold — ozs.	6,965	7,562	4,213

The increased output of gold resulted from a Management decision in September 1977 to shift mining production into those areas of the mines with higher gold grades. The increase in tons milled in 1979 and 1978 was due to higher production at the Cedar Bay and Henderson Mines and from the recovery of the surface pillar at the Original Mine.

Oil and Gas Income

Income from oil and gas rose over the three years, due to higher selling prices and volumes sold. The following table summarizes these changes:

	1979	1978	1977
Sales (000)	$1,043	$ 940	$ 692
Volume			
Gas — Mmcf.	809	776	847
Oils — Bbls.	8,577	7,258	300
Average Selling Prices			
Gas per Mcf.	$ 1.55	$ 1.40	$ 1.20
Oil per Bbl.	$15.80	$12.64	$10.00

The volume of gas sold in 1978 was lower than 1977, due to the gas surplus in Alberta. This surplus continued in 1979. The above sales figures are net of royalties.

Other Revenue and Expense

	1979	1978	1977
Interest and Other Income (000)	$ 299	$ 569	$ 917
Amortization (000)	$1,783	$1,586	$1,694

1) Interest income declined from 1977 to 1979, owing to the reduction in the amount invested in short-term securities. Profits from the sale of fixed assets fell in 1978 from 1977 and rose slightly in 1979. Interest income was further reduced in 1979 by the interest cost of carrying the loan from the Quebec Government for the Cedar Bay project and for the bank loan required to finance the purchase of shares in Peyto Oils Ltd.

2) Provisions for amortization varied in the years 1977-79, principally as a result of varying output from the mines. The rate of amortization per ton mined rose in 1979 over 1978 as a result of rising costs. In 1978, however, the rate fell as compared with 1977, due to special write-down of $5,125,000 of mining properties and deferred development made in 1977. Depreciation and depletion on oil and gas operations increased each year as a result of capital expenditures made.

3) The effective tax rate changes from 37% in 1978 to 28% in 1979, primarily as a result of the lower proportion of interest income in 1979. This income is not eligible for a resource allowance deduction and hence bears a higher rate of tax.

Investment of Funds

Key Amounts ($000)

	1979	1978	1977
Total Investment	10,502	3,737	2,344
Purchase of Peyto Shares	5,294	—	—
Oil and Gas Expenditure	1,276	2,104	1,179
Mining Operations	1,972	612	167
Exploration	1,097	748	625
Reduction in Long-Term Debt	730	202	153
Source of Funds			
Operating income (loss)	3,616	445	(75)
Bank Loan re Peyto Shares	3,347	—	—
Loan from Province of Quebec	185	604	—
Decrease in Working Capital	3,287	2,576	2,019

During the nine months to April 1979 the Company purchased 220,300 shares of Peyto Oils Ltd. and acquired a further 274,200 in May 1979, for a total cost of $5,294,000, an average cost of $10.71 per share. This acquisition which represents 17.3% of the issued shares of Peyto was acquired as an investment in the oil and gas industry. This purchase was partially financed by a bank loan of $3,347,000, the balance coming from working capital. The quoted market value per share of this investment was $13.50 at June 30, 1979 and $16.00 on September 17, 1979. The sale value of these shares as a block may be more or less than the market value.

Capital outlay on oil and gas operations declined to a level similar to that of 1977, as compared with 1978. In 1978 the Company invested heavily in lease acqusitions and exploration whereas in 1979 it concentrated on evaluating and developing the lands.

Capital expenditure on mining operations more than tripled in 1979 as compared to 1978. Spending on exploration and development at the Henderson Mine amounted to $1,045,000 and at Cedar Bay $393,000. Expenditure on mining equipment amounted to $446,000 in 1979 as compared to $139,000 in 1978. The increase in mining capital expenditure was incurred in anticipation of higher metal prices and to develop current ore reserves and to explore for additional reserves. The expenditures at Cedar Bay were financed by a loan from the Government of Quebec.

Expenditures on mineral exploration rose in 1979 over 1978, principally due to an expenditure of $549,000 on the Blizzard Uranium project. The increase of 1978 over 1977 was due to expenditures on tin exploration and to the start of work on the Blizzard Uranium project.

An amount of $669,000 is included under Reduction of Long-Term Debt on the Statement of Changes in Financial Position. This does not represent an actual repayment during 1979 but rather the current portion of the bank loan expected to be repaid in 1980.

Other Financial Information

1. **Value of Oil and Gas Reserves**

	1979	1978	1977
	Present Worth Discounted at 12% Before Income Taxes		
Oil and Gas			
— Total Proved	$ 8,348,000	$6,563,900	$5,727,100
— Total Probable	465,700	393,200	243,200
	8,813,700	6,957,100	5,970,300
Unproven Properties	2,459,300	1,588,000	608,000
	$11,273,000	$8,545,100	$6,578,300
Book Value	$ 5,139,000	$4,219,000	$2,409,000

The present value of the oil and gas reserves has risen over the past three years with the gap between book value and the discounted value becoming greater, particularly in 1979.

2. **Value of the Blizzard Deposit**

The value in the Company's interest of the Blizzard deposit is believed to be signficiant.

3. **Market Value of Company's Shares**

The market value of the Company's shares has increased over the last three years from approximately $3 (U.S.) per share in December 1976 to $9⅛ (U.S.) on September 17, 1979.

The Story of Metals' Prices

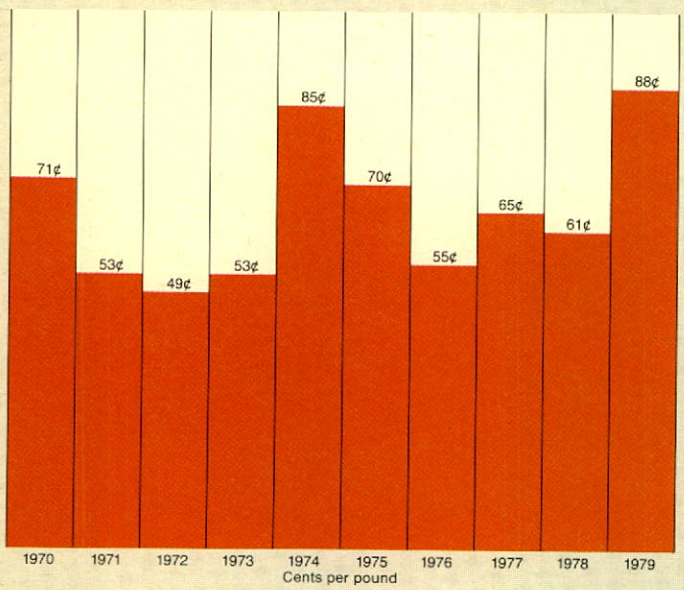
The diagrams below show the average sales prices of copper in cents per pound and gold in dollars per ounce (all in Canadian funds), sold by the Company during the ten fiscal years 1970 to 1979. The upper charts show the actual average prices at which the metals were sold. The lower charts show these prices in terms of 1970 dollars, as measured by the Canadian Consumer Price Index.

The most striking feature is, of course, the wide swings in prices, particularly when it is remembered that the amounts shown are average sales prices for a year. Actual market price swings are much wider on a day-to-day basis.

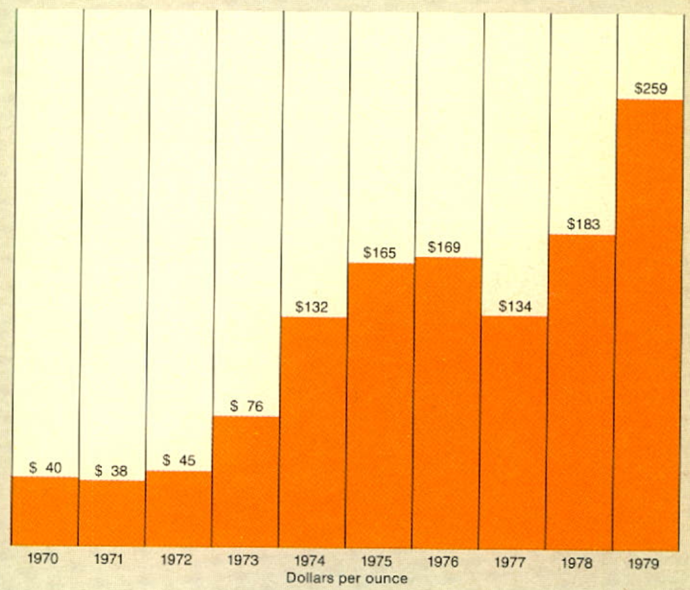
Two copper cycles have occurred during the 10-year period and the 1979 actual price is moderately higher than that of 1970. In 1970 dollars, the overall trend is downward, reaching a low of 35 cents per pound in 1978.

Gold has increased six-fold from an actual $40 per ounce in fiscal 1970 to $259 in fiscal 1979, with this increase starting in 1973. In terms of 1970 dollars, gold has risen only three-and-a-half times from $40 to $136 per ounce.

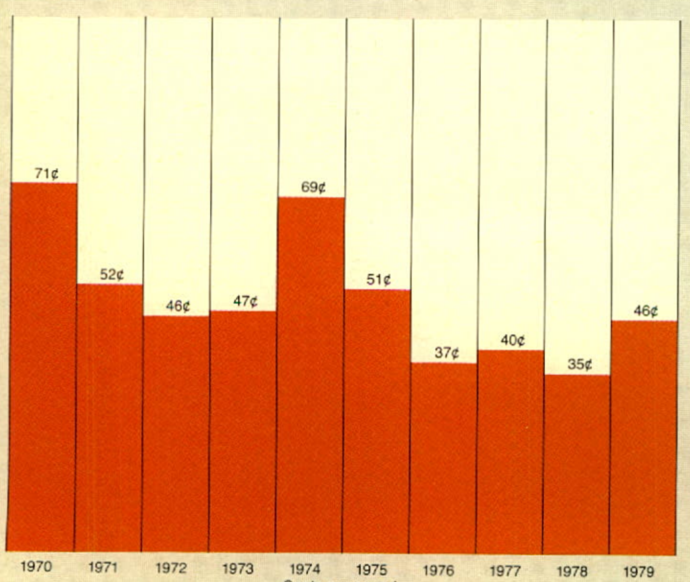
Actual Prices – Copper



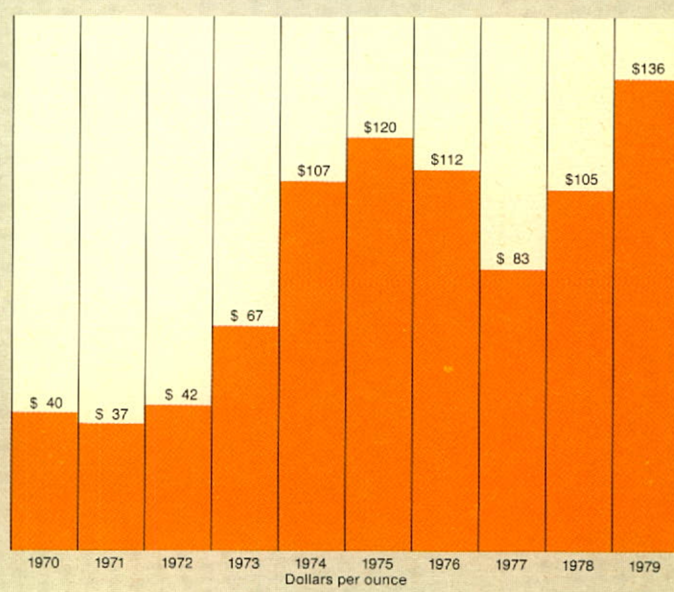
Actual Prices – Gold



Prices in 1970 Dollars – Copper



Prices in 1970 Dollars – Gold



Consolidated Statements of Income and Retained Earnings

(stated in Canadian dollars)

Campbell Chibougamau Mines Ltd.

(No Personal Liability)

Statement of Income

	Years ended June 30 1979	1978
	(in thousands)	
Revenue:		
Metal sales	$ 11,884	$ 6,780
Petroleum and natural gas sales	1,043	940
Interest and other income	299	569
	13,226	8,289
Operating expenses:		
Mining operations	8,768	7,197
Petroleum and natural gas operations	209	158
Corporate administration	633	489
	9,610	7,844
Operating income before the undernoted items	3,616	445
Provisions:		
Mining operations —		
Depreciation and depletion	697	792
Amortization of development costs	630	412
Exploration expenditures	89	85
Other	11	3
	1,427	1,292
Petroleum and natural gas operations —		
Depreciation and depletion	356	294
	1,783	1,586
Income (loss) before deferred income taxes and mining duties	1,833	(1,141)
Provision for (reduction in) deferred income taxes and mining duties	520	(425)
Net income (loss) for the year	$ 1,313	$ (716)
Net income (loss) per share for the year	$ 0.30	$ (0.16)

Statement of Retained Earnings

Balance at beginning of year	$ 16,802	$ 17,518
Net income (loss) for the year	1,313	(716)
Balance at end of year	$ 18,115	$ 16,802

(See accompanying notes)

Consolidated Statement of Changes in Financial Position

(stated in Canadian dollars)

Campbell Chibougamau Mines Ltd.

(No Personal Liability)

	Years ended June 30 1979	1978
	(in thousands)	
Source of funds:		
Operations —		
Operating income before provisions and deferred income taxes and mining duties	**$ 3,616**	$ 445
Less gain on sales of fixed assets	**(171)**	(140)
	3,445	305
Proceeds of loan from Province of Quebec	**185**	604
Proceeds on sales of fixed assets	**238**	252
Total source of funds	**3,868**	1,161
Application of funds:		
Purchase of Peyto Oils Ltd. shares	**5,294**	
Less bank loan to finance purchase of shares	**3,347**	
	1,947	
Petroleum and natural gas operations —		
Expenditures on leases including exploration and development costs	**1,089**	1,886
Purchases of equipment	**187**	218
	1,276	2,104
Mining operations —		
Mining property, plant and equipment	**446**	139
Deferred development costs	**1,526**	473
	1,972	612
Exploration expenditures	**1,097**	748
Reduction in long-term debt	**730**	202
Investments in and advances to associated and other companies	**133**	71
Total application of funds	**7,155**	3,737
Decrease in working capital during the year	**3,287**	2,576
Working capital, beginning of year	**7,282**	9,858
Working capital, end of year	**$ 3,995**	$ 7,282

(See accompanying notes)

Consolidated Balance Sheet

June 30, 1979

(stated in Canadian dollars, with comparative figures at June 30, 1978)

Assets	**1979**	**1978**
	(in thousands)	
Current assets:		
Cash and short-term investments	**$ 836**	$ 4,009
Accounts receivable	**1,813**	1,327
Metals in process (estimated net realizable value — $5,296,000; 1978 — $3,030,000)	**3,921**	2,393
Mine and mill supplies	**1,460**	1,484
	8,030	9,213
Investments (note 2):		
Shares of Peyto Oils Ltd.	**5,294**	
Shares of and advances to associated and other companies	**2,811**	2,689
	8,105	2,689
Investments in mining operations (note 3)	**18,743**	17,157
Investments in petroleum and natural gas operations (note 3)	**5,139**	4,219
	$ 40,017	$ 33,278

(See accompanying notes)

Campbell Chibougamau Mines Ltd.

(No Personal Liability)
(Incorporated under the Quebec Mining Companies Act)

Liabilities

	1979	1978
	(in thousands)	
Current liabilities:		
Accounts payable and accrued liabilities	**$ 3,366**	$ 1,931
Current portion of bank loan	**669**	
	4,035	1,931
Deferred income taxes and mining duties	**1,389**	869
Long-term debt:		
Province of Quebec (note 4)	**695**	510
Bank loan (note 5)	**2,678**	61
	3,373	571
Shareholders' equity:		
Capital stock —		
Shares of the par value of $1 each (note 6):		
Authorized —		
5,000,000 Class A shares		
500,000 Class B shares		
Issued and outstanding —		
4,483,017 Class A and B shares	**4,483**	4,483
Contributed surplus — premium on shares	**8,622**	8,622
	13,105	13,105
Retained earnings	**18,115**	16,802
	31,220	29,907
	$ 40,017	$ 33,278

On behalf of the Board:

JACK N. BLINKOFF, Director.

CHARLES L. McALPINE, Director.

Notes to Consolidated Financial Statements

June 30, 1979

1. Accounting policies

The following is a summary of the more significant accounting policies followed in the preparation of the consolidated financial statements:

(a) Basis of consolidation and accounting for investments —

The accompanying consolidated financial statements include the accounts of Campbell Chibougamau Mines Ltd. and its subsidiaries, CCH Resources Ltd. and CCH Resources Inc., both 98% owned oil and gas companies.

The share investment in C.M. & S. Mines Inc. in which the Company has effective control but not majority share ownership is accounted for on the equity basis under which the carrying value of the investment reflects the cost thereof reduced by the Company's share of C.M. & S.'s accumulated deficit. Other investments are carried at cost.

(b) Metals in process and recording of metal sales —

Metals in process are valued at the lower of cost and net realizable value. Cost includes direct labour, supplies consumed and the proportion of administrative expenses that relates to mining operations but does not include depreciation, depletion and amortization of related mining assets.

The sale of metals, less certain smelter deductions, is reflected in income three months after arrival at the custom smelter which is the normal time period required to smelt, refine and sell the metals contained in the concentrate.

(c) Amortization of mining assets —

(i) Depletion is provided on mining properties at a rate per ton milled determined by dividing the total undepleted cost of the properties by the total of proven and probable ore reserve tonnage.

(ii) Depreciation of buildings and equipment is largely provided on the straight-line basis at a 6% rate.

(iii) Development costs are deferred and charged against income at a rate per ton milled computed by dividing the total of unamortized development costs and anticipated future development costs by the total of proven and probable ore reserve tonnage.

(iv) Exploration expenditures are deferred by specific project and are written off if the project is abandoned.

(v) In addition to the normal provisions described above, a special provision of $5,125,000 was made in fiscal 1977, in light of then-existing metal prices and other factors, to write off the balance of property, development and exploration costs related to the Main and Cedar Bay Mines.

(d) Accounting for petroleum and natural gas operations —

The Company follows the full cost method of accounting whereby all costs related to acquisition, exploration for and development of oil and gas reserves are capitalized and depleted by a composite unit-of-production method based on total estimated proven reserves.

Depreciation of production equipment is provided on the straight-line basis at rates of from 5% to 20%.

(e) Income taxes and mining duties —

The Company follows the tax allocation method of providing for income taxes and mining duties. On this basis, taxes and duties deferred to future years as a result of timing differences between accounting income and income for tax and mining duty purposes (principally depreciation and development costs) are recorded as deferred income taxes and mining duties.

(f) Earnings per share —

The computation of earnings per share is based on the weighted average number of shares outstanding during the year (4,368,444 shares in 1979 and 1978) after reflecting the deduction of the Company's pro rata interest (note 2) in those of its own shares held by C.M. & S. Mines Inc.

2. Investments

Investments consist of the following:

	Direct interest	Carrying value 1979	1978
		(in thousands)	
Peyto Oils Ltd. — 494,500 shares (quoted market value: $6,676,000)	17.3%	$ 5,294	
C.M. & S. Mines Inc. ("C.M. & S.") — 1,938,661 shares (quoted market value: 1979 — $950,000; 1978 — $640,000)	42.1%	1,199	$ 1,213
10% income debentures due August 1, 1984		397	397
Cia Minera Trans-Rio, S.A. de C.V. ("Trans-Rio") — 24,500 shares (10,000 in escrow) (unlisted)	24.5%	65	65
Advances		966	847
Others (unlisted)		184	167
		2,811	2,689
		$ 8,105	$ 2,689

The book value of the equity underlying the Company's share investment in C.M. & S. was $841,000 at June 30, 1979. The quoted market value and carrying value of this investment do not necessarily represent the value of the Company's interest in C.M. & S., the underlying assets of which are comprised mainly of mining claims, deferred expenses and marketable securities including 272,010 shares of the Company at June 30, 1979 and 1978.

The Company has signed an

agreement with two Mexican mining companies whereby these companies are to spend a minimum of $500,000 (U.S.) in an exploration program on Trans-Rio mining properties prior to February 14, 1981. On completion of this program, the two companies will have the right to acquire 10,000 of the Company's shares of Trans-Rio at their approximate cost to the Company and, under certain conditions, to bring Trans-Rio's Washington Mine into production. If this right is exercised, the Company will retain a 14½% equity interest in Trans-Rio but will only be responsible for any share of future costs after the two Mexican companies have spent a total of $2,840,000 (U.S.) on exploration and development.

3. Investments in natural resource properties

Investments in natural resource properties and expenditures thereon are as follows:

	1979			1978
	Cost	Accumulated depreciation, depletion and amortization	Net book value	Net book value
		(in thousands)		
Mining —				
Properties	$ 5,797	$ 5,085	$ 712	$ 736
Buildings and equipment	18,451	13,113	5,338	5,644
Deferred development	19,312	11,919	7,393	6,497
	$ 43,560	$ 30,117	13,443	12,877
Exploration expenditures on base metal, iron ore and uranium properties			5,300	4,280
Total investment in mining operations			$ 18,743	$ 17,157
Petroleum and natural gas —				
Lease rights including exploration and development costs related thereto	$ 5,201	$ 865	$ 4,336	$ 3,556
Production and other equipment	944	141	803	663
Total investment in petroleum and natural gas operations	$ 6,145	$ 1,006	$ 5,139	$ 4,219

4. Loan from the Province of Quebec

In February 1978, the Company entered into an Agreement with the Province of Quebec whereby the latter agreed to loan up to $891,500 with interest at 5% per annum to the Company for ore reserve development and exploration expenditures at the Cedar Bay Mining Division.

Funds advanced during the year amounted to $185,000 bringing the total of amounts advanced to $789,000. Additional advances up to $102,500 are to be paid on completion of the exploration work at Cedar Bay. Funds advanced in fiscal 1978 for the purchase of equipment totalling $94,000 were repaid during fiscal 1979.

Under the terms of the Agreement with the Province, the amounts borrowed and interest thereon are repayable only to the extent that operating profits (as defined by the Agreement) are earned from mining at the Cedar Bay Mining Division and then only to the extent of 30% of such profits per year. No provision was required in fiscal 1979 for the retirement of the debt.

5. Bank loan

During the year the Company acquired 494,500 shares of Peyto Oils Ltd. financed by working capital and a bank loan of $3,347,012. The bank loan bears interest at the bank's prime lending rate and is collaterally secured by the pledging of the Company's share investment in Peyto Oils Ltd.

While the loan is repayable on demand, it is in the process of being restructured so as to provide for repayment over a term of five years; accordingly, except for the portion expected to be repayable in the 1980 fiscal year, the loan has been classified as a long-term liability in the accompanying consolidated balance sheet.

6. Capital stock

The Class A and B shares are interconvertible at any time and are identical in all respects, including dividend rights.

7. Litigation

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 activities in certain of the areas in which they operate 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 Counsel for the Company is of the opinion that the Company has a valid substantive defence to this action.

Corporate Data

Executive Office
55 Yonge Street, Toronto, Ont. M5E 1J4

Head Office and Mine Office
Chibougamau, Que. G8P 2K9

CCH Resources Ltd.
Suite 310, 706 - 7th Ave., S.W.
Calgary, Alberta T2P 0Z1

CCH Resources Ltd.
A-105 Marine Building,
33 Burrard Street,
Vancouver, B.C. V6C 2G6

Stock Exchange Listings
American Stock Exchange
Montreal Stock Exchange
Toronto Stock Exchange

Symbol CCH

Registrar & Transfer Agents
Montreal Trust Company, Toronto and Montreal
The Trust Company of New Jersey, Jersey City, N.J.

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

Annual Meeting to be held on Wednesday, October 31, 1979 at 2:30 p.m. at La Maison Maillou, Quebec City, Quebec.

A copy of the 1979 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.

Directors

Jack N. Blinkoff
Chairman of the Board; Attorney, New York

Walter E. Breen
Lawyer — Partner in the firm of Mudge, Rose, Guthrie & Alexander, New York

Roland D. Crandall
Vice-President, Allen & Company, New York (investment banking)

Hon. Jean Lesage, P.C., C.C., Q.C., LL.D.
Lawyer — Senior partner of the firm of Lesage, Paquet & Lesage, Quebec City, Quebec

Charles L. McAlpine
President and Chief Executive Officer Toronto, Ontario

John G. Porteous, Q.C.
Vice-President and General Counsel; Senior partner of the firm of Ogilvy, Renault, Montreal, Quebec

C. Leslie Rice
Vice-President and Director, Gulf Energy & Development Corporation (natural gas), San Antonio, Texas

Alex Samson
Consultant, formerly Treasurer of the Company, Toronto, Ontario

J. Gordon Strasser
Vice-President and General Manager, Toronto, Ontario

Officers

Jack N. Blinkoff
Chairman of the Board

Charles L. McAlpine
President and Chief Executive Officer

John G. Porteous, Q.C.
Vice-President and General Counsel

J. Gordon Strasser
Vice-President and General Manager

John H. Rutherford
Vice-President and Secretary

Charles A. Krause
Vice-President — Exploration

Christopher N. Letros
Assistant Treasurer

Printed in Canada

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