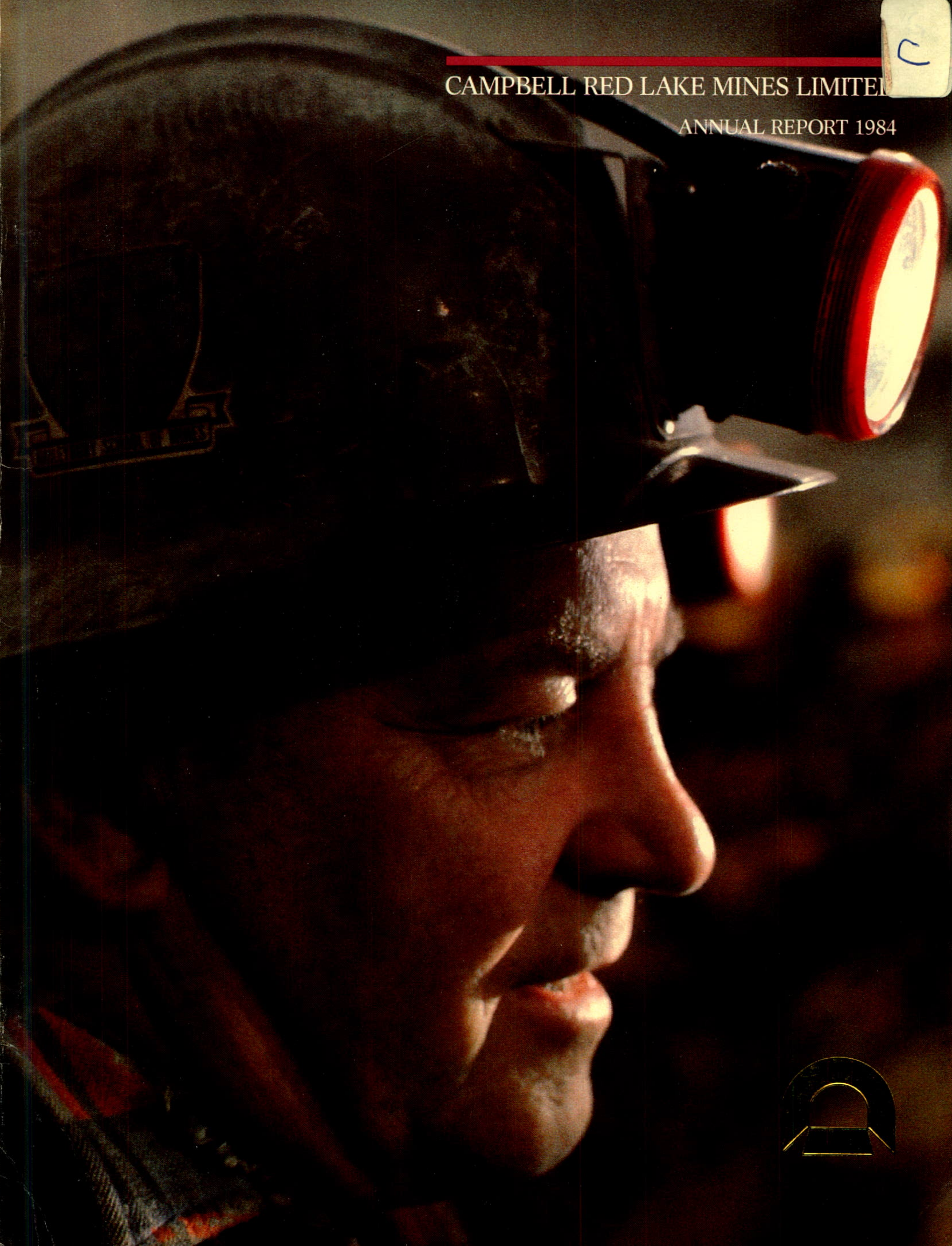
CAMPBELL RED LAKE MINES LIMITED

ANNUAL REPORT 1984



Comparative Highlights

(thousands of dollars, except per share)

	1984	1983	1982
Financial Results			
Revenue			
Mining	**$117,686**	$116,729	$100,550
Oil and gas	**$12,534**	$10,367	$9,126
Net income	**$25,339**	$37,521	$35,762
Cash provided by operating activities	**$40,077**	$41,494	$66,396
Financial Position			
Cash	**$50,779**	$49,529	$51,901
Shareholders' equity	**$165,674**	$161,452	$146,968
Per Share			
Net income	**$0.53**	$0.78	$0.75
Dividends	**$0.44**	$0.48	$0.34
Production			
Ounces of gold	**254,144**	225,137	217,158
Oil and natural gas liquids (bbls)	**374,000**	344,000	293,000
Natural gas (mmcf)	**1,298**	1,064	1,039

Amounts in this report are expressed in Canadian dollars, unless otherwise stated.

The Company

Campbell Red Lake Mines Limited is a Canadian gold mining company. The Campbell Mine, located in the Red Lake area of northwestern Ontario has been in production since 1949 and is the lowest cost major producer of gold in North America. In addition, the Company has a 50% interest in the Detour Lake Mine in northeastern Ontario and an 11.7% interest in the Dee Gold Mine in Nevada. In 1984, the Company's share of production from these mines totalled 254,144 ounces.

Campbell also has direct participating interests in oil and gas production and exploration in western Canada.

The Company has 47,994,000 issued common shares of which 27,290,160, or approximately 57%, are owned by Dome Mines Limited. The shares are listed for trading on The Toronto Stock Exchange and the New York Stock Exchange.

Annual Meeting

The Annual Meeting of Shareholders will be held in the Territories Room of the Royal York Hotel, Toronto, Ontario on May 29, 1985 at 9:30 a.m. (Toronto time).

Contents

Report of the Directors to the Shareholders

Investor interest in gold was noticeably absent throughout 1984. For most of the year the price of gold responded to movement of the United States dollar, trading down on lower volume from a high of U.S.$407.50 in March to U.S.$302 at year-end. Gold prices were adversely affected by low inflation, high real interest rates and the strength of the United States dollar. Rallies in the price which developed as a result of political tension, financial crises, or nervousness over possible hikes in the price of oil, were short-lived as investor interest returned to dollar-related financial instruments.

Lower gold prices had a severe impact on Campbell's financial performance and more than offset the effect of the weaker Canadian dollar. Net income in 1984 was $25.3 million ($0.53 per share), down from $37.5 million ($0.78 per share) in 1983. Dividends of $0.44 per share were declared during the year compared to $0.48 per share in 1983.

Gold production from the Campbell Mine in 1984 was 213,946 ounces at an average selling price of U.S.$358 compared to 219,200 ounces in 1983 at an average selling price of U.S.$422. Operating costs per ounce at the Campbell Mine, including depreciation, were U.S.$108 in 1984 compared to U.S.$102 in 1983.

The Detour Lake Mine, northeast of Timmins, Ontario commenced commercial production on November 1, 1983 and experienced difficulties with mill tonnage and grade throughout 1984. Campbell has a 50% interest in and is the operator of the Detour Lake Mine. In 1984, Campbell's share of production was 39,479 ounces which were produced at a cash operating cost per ounce of U.S.$345. Campbell sold forward most of its share of planned 1985 gold production from the Detour Lake Mine at a minimum price of U.S.$341 per ounce to protect its cash flow from operations.

The development of the underground mine has now been divided into two stages. The first stage of the underground development program will include continued sinking of the underground production shaft to 2,000 feet. The first stage has a scheduled completion date of September 1, 1986 and a decision whether or not to proceed with

C. Henry Brehaut (left) and Fraser M. Fell the second stage will be made at that time. If the second stage is approved, underground production would commence during the first quarter of 1988.

Open pit operations will be continued based on a revised mining plan which reflects the decision to fund the cost of the first stage of the underground development program out of operating cash flows. Pit operations are expected to continue through to the third quarter of 1986, resulting in an interruption in production of up to 17 months if the second stage of the underground program proceeds. However, improvements in gold prices or other factors could result in a shortening of this period.

Campbell's share of capital expenditures in 1984 at the Detour Lake Mine amounted to $6.0 million of which $4.4 million was associated with the underground development program. By year-end, the head frame and hoist installations had been completed and shaft sinking had commenced.

Campbell's expenditures on mineral exploration in 1984 aggregated $6.4 million compared to $2.6 million in 1983. A gold occurrence was discovered at the Dona Lake property near Pickle Lake, Ontario, which is owned as to 50% by each of Campbell and Dome Mines. Preliminary studies indicate a mineral inventory of 1.5 million tons at an estimated mining grade of 0.23 ounces of gold per ton. It is anticipated that an underground exploration program will be undertaken at this site in 1985.

During 1984, Campbell continued its direct participation in oil and gas exploration, development and production in western Canada. Operating cash flow from Campbell's oil and gas properties, before income taxes, was $8.8 million in 1984 compared to $7.1 million in 1983. Income before income taxes amounted to $3.0 million in 1984 compared to $3.7 million in 1983 as the increase in net revenue was more than offset by increased depletion charges. Campbell will benefit from the recently announced agreement between the Governments of Canada, Alberta, Saskatchewan and British Columbia on oil and gas pricing and taxation.

The strong commitment of all employees to safety is acknowledged and the Directors fully support initiatives designed to improve working conditions and to promote safe work practices. The employees have also responded well to the difficult market conditions of the past year. We thank each of them for their continuing efforts to improve productivity, reduce costs and extend the life of the existing operations.

Fraser M. Fell Chairman and Chief Executive Officer	C. Henry Brehaut President and Chief Operating Officer

April 23, 1985

Review of Operations

Mining

Campbell Mine

	1984	1983	1982
Ounces of gold	213,946	219,200	217,158
Tons of ore milled	395,000	390,000	392,000
Average grade treated (ounces per ton)	0.573	0.598	0.593

During 1984, 395,000 tons of ore were processed through the Campbell mill and 213,946 ounces of gold were recovered. Gold production decreased from 1983 as a result of treating a lower average grade ore. As a result of ongoing research programs, mill recovery continued to improve and averaged 94.5% in 1984 compared to 94.2% in 1983.

Mine operating costs, including depreciation, averaged $75.78 per ton milled or $140 (U.S. $108) per ounce. Cost per ton by major activity was as follows:

	1984	1983	1982
Development	$12.34	$10.73	$11.49
Mining	31.22	27.42	24.88
Milling	14.56	15.68	14.23
Plant	5.28	4.69	5.63
Administration	7.67	7.15	6.37
Depreciation	4.71	4.95	4.96
	$75.78	$70.62	$67.56

Operating cost per ton rose 7% in 1984 compared to 5% in 1983. In addition to normal inflationary pressures during the past three years, operating costs rose as a result of mining an increased proportion of ore by the more expensive cut-and-fill stoping method and the need for more extensive ground control measures. These factors have been offset to some extent by reduced milling costs which have been achieved through continuing research and modernization.
The source of ore by mining method was as follows:

	1984	1983	1982
Stoping —			
Cut-and-fill	62%	50%	51%
Shrinkage	30	40	41
Development	8	10	8
	100%	100%	100%

As a result of rock bursting during 1982 and 1983, stoping in one zone and sill removal activities in another zone have been halted. Efforts continue to develop mining methods and techniques that will permit safe mining in these zones in the future. Mine tonnage was not affected in 1984 as production from other areas was increased. In addition, the change to cut-and-fill mining has been accelerated.

During 1984, underground diamond drilling amounted to 65,077 feet, most of which was in support of mine planning, stope development and mine exploration activities. No new gold-bearing zones of significance were discovered. Development footage decreased in 1984 by 12% to 13,750 feet, primarily as a result of a reduced underground exploration program.

Current ore reserves are located between surface and the 21st level (3,100 feet below surface) which is the lowest active mining level at this time. Additional levels have been established to the 27th level (4,000 foot elevation) for future mining. Presently known zones that have the potential of adding to reserves above the 21st level are open to depth. At December 31, 1984, proven extractable ore reserves, after allowing for dilution, were as follows:

	1984	1983	1982
Reserves in place (000's of tons)	2,026	2,052	2,042
Grade of reserves in place (ounces per ton)	0.622	0.622	0.622
Broken ore reserves (000's of tons)	265	277	268

Capital expenditures of $4,554,000 during 1984 included the replacement and modernization of certain mill facilities for the purpose of reducing costs and improving gold recovery, the construction of a new assay office and the provision of additional townsite housing.

The accident frequency at Campbell in 1984 was 3.4 lost-time injuries per 200,000 manhours worked compared to a frequency of 1.9 in 1983 and an industry average of 5.6 in 1984. During 1984, both the Campbell First Aid Team and the Mine Rescue Team achieved notable success in provincial competitions. The First Aid Team won the Provincial Open Trophy in the Senior Men's Division and the Earle C. Morgan Trophy which is awarded to the top team in the Province of Ontario in all divisions. The Mine Rescue Team placed second in the Provincial Mine Rescue Competition.

Detour Lake Mine

The Detour Lake Mine is located approximately 125 miles northeast of Timmins, Ontario and 8 miles west of the Quebec border. Campbell has, under a joint venture arrangement, a 50% working interest in, and is the operator of, the Detour Lake Mine. The remaining 50% interest is held by Amoco Canada Petroleum Company Ltd.

After depreciation charges of $5,096,000, Campbell's share of the Detour Lake Mine operating loss in 1984, excluding allocated general corporate costs, was $4,496,000. Mine operating costs, including depreciation, averaged $51.93 per ton milled in 1984 or $576 (U.S.$445) per ounce. The cash cost per ounce was $447 (U.S.$345).

Total gold production from the Detour Lake Mine in 1984, at 78,958 ounces, was 21% below forecast due to lower tonnage and grade. Campbell's share of this production was 39,479 ounces. During the year, 876,000 tons were milled at an average rate of 2,400 tons per day which was 13% less than planned. The ore is harder and more abrasive than anticipated, causing lower grinding rates and increased downtime for the replacement of wear parts. Mine grades averaged 0.097 ounces of gold per ton.

Capital expenditures in 1984 amounted to $11,959,000 of which $3,175,000 was spent on items associated with on-going operations and $8,784,000 on the underground development program. By year end, the headframe and hoist installations had been completed and shaft sinking had commenced.

In light of production experience in 1984 and lower gold prices, a review of the ore reserve estimates at the Detour Lake Mine was undertaken with the assistance of an independent consultant. As a result of this study, total proven and probable ore reserves in place, after allowing for dilution, as of December 31, 1984, are estimated to be 10.9 million tons at an average grade of 0.128 ounces of gold per ton. In addition, possible ore reserves in place, after allowing for dilution, have been estimated to be 8.7 million tons at a grade of 0.082 ounces per ton. The surface stockpile of broken, low-grade ore at year end amounted to 0.3 million tons, at an average grade of 0.050 ounces per ton. During 1984, 0.9 million tons of ore were milled and 0.1 million tons were added to the surface stockpile.

At December 31, 1983, total probable ore reserves in place, after allowing for dilution, were reported to be 30.2 million tons at an average grade of 0.113 ounces of gold per ton. This estimate was based on surface diamond drilling to a depth of 1,800 feet and underground exploration.

Several dozen ore-grade intersections outside the presently defined ore zones may be indicative of mineralized structures requiring further exploration underground. The main zone, which constitutes a high proportion of the proven and probable reserves, has not been explored by diamond drilling below the 1,800 foot level and is open to depth.

In April, 1985, a decision was made to divide the development of the underground mine into two stages and to shorten the life of the current open pit operation. The first stage of the underground development program will consist of the continued sinking of the underground production shaft to a depth of 2,000 feet, drifting and crosscutting on two levels (1,800 and 1,200 feet respectively below surface), diamond drilling and bulk sampling. The objectives of this program are to confirm the present underground ore reserve estimates, to examine areas with the potential of adding to reserves above the 1,800 foot level and to test for extensions to the ore body down to the 2,800 foot horizon. The first stage has a scheduled completion date of September 1, 1986 at an estimated cost of $11,167,000. The decision whether or not to proceed with the second stage of the underground development program will be made at that time.

The cost of the second stage of the underground development program is estimated to be $50,000,000, for a planned production rate of 2,750 tons per day. If the second stage is approved, underground production would commence during the first quarter of 1988. Improvements in gold price during the first stage could result in an earlier production date. The previous schedule for the underground mine contemplated the commencement of production early in 1987.

Open pit operations will be continued based on a revised mining plan which reflects the decision to fund the cost of the first stage of the underground development program out of operating cash flows. Pit operations are expected to continue through to the third quarter of 1986, resulting in an interruption in production of up to 17 months if the second stage of the underground program proceeds. However, improvements in gold prices or other factors could result in a shortening of this period. At the end of pit operations, approximately six months of low grade ore will have been stockpiled.

As of December 31, 1984, the work force at the Detour Lake Mine totalled 303 employees. The International Union of Operating Engineers was certified as the bargaining union for production and maintenance workers on October 6, 1983. The first contract, which extends to October 5, 1985, was ratified by the union membership on February 16, 1984. The International Brotherhood of Electrical Workers has applied for separate ratification on behalf of 8 electricians at the site. This application is currently being considered by the Ontario Labour Relations Board.

The accident frequency at the Detour Lake Mine in 1984 was 7.9 lost-time injuries per 200,000 manhours worked, compared to a frequency of 4.0 in 1983 and an industry average of 5.6 in 1984. While excellent first aid facilities and highly qualified nurses are available at the site, a number of minor injuries have been recorded as lost-time accidents because of the travel time to one of the local communities for a doctor's examination.

Dee Gold Mine

Campbell has an 11.7% interest in Dee Gold Mining Co., a Nevada partnership. The Dee Gold Mine is an open pit gold mine near Boulder Creek, Nevada, with a rated mill capacity of 850 tons per day. Construction was completed in 1984 at a total cost of U.S.$21,016,000. During 1984, capital expenditures totalled U.S.$10,309,000, of which Campbell's share was Cdn.$1,638,000.

Production officially commenced on October 15, 1984. To December 31, 1984, 65,000 tons were milled at a grade of 0.131 ounces of gold per ton. Campbell's share of production was 719 ounces of gold. Campbell's share of planned 1985 production will be approximately 4,300 ounces of gold.

Proven plus probable reserves, based on surface diamond drilling and underground sampling, are estimated to be 2,605,000 tons of ore at an average grade of 0.115 ounces of gold per ton. An additional 1,085,000 tons of lower grade material are expected to be treated using heap-leach methods. The mine is operated by one of the other partners.

Mineral Exploration

Campbell participates with Dome Mines Limited and Sigma Mines (Quebec) Limited in a joint program of mineral exploration in Canada and the United States. Campbell and Dome Mines participate equally in mineral exploration programs in Ontario. Sigma undertakes all new exploration projects in Quebec and does not participate in mineral exploration projects in Ontario. In the rest of Canada, and in the United States, participation is generally Dome Mines 50%, Campbell 40% and Sigma 10%.

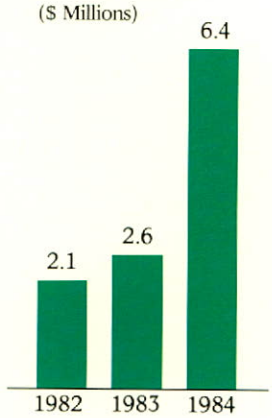
During 1984, exploration expenditures by the Dome Mines Group were $12,459,000, of which Campbell's share was $6,430,000. Although the emphasis was on gold, other base and precious metals were included in the search. Activities during the year included work on 83 projects, 50 of which were continued from 1983. Approximately 786 line miles of ground geophysical surveys were completed and 242,303 feet were drilled in 418 holes on 27 properties. A total of 1,287 claims were staked in 19 groups in addition to which 23 properties were optioned. Work on several of these properties will continue in 1985.

Approximately 86% of 1984 expenditures of the Dome Mines Group were on Canadian projects, most of which are located in Ontario, Quebec and British Columbia. Projects in the provinces of Ontario and Quebec accounted for 78% of total expenditures, with emphasis placed on areas near producing mines of the Dome Mines Group. The majority of Campbell's expenditures were in the Province of Ontario. In the United States, exploration programs were carried out in Nevada and neighbouring states.

In 1984, a gold mineralization was discovered near Pickle Lake, Ontario, on the Dona Lake property which is owned 50% by each of Dome and Campbell. Gold mineralization occurs in a folded sulphide-bearing iron formation. Preliminary studies indicate a mineral inventory, to date, of 1,474,000 tons at an estimated mining grade of 0.23 ounces of gold per ton to a depth of approximately 1,150 feet. Engineering studies have been started to determine whether an underground exploration program is warranted in 1985. The iron formation which hosts the gold-bearing zone has an apparent strike length on the property of about 7 miles. A major drilling program will be undertaken in 1985 to explore other selected parts of the iron formation.

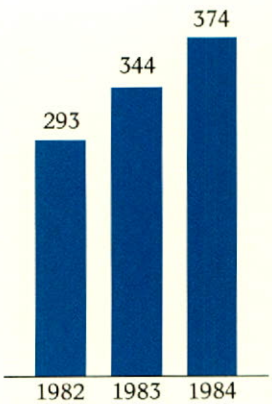
Under a joint venture agreement, the Dome Mines Group has a 35% participating interest in, and is the operator of, an exploration program, which has been continuing since 1974, on the Musselwhite property, a large property near Opapimiskan Lake, approximately 184 miles northeast of Red Lake. At December 31, 1984, Campbell's interest in the property was 16.9%. In 1984, an underground exploration program was carried out for the purpose of determining grade and continuity of mineralization of one of the five gold-bearing zones discovered to date. The grade of gold mineralization proved to be disappointing and no further underground work is currently planned. A surface drilling program was completed during the first quarter of 1985 but the results are not yet available.

Mineral Exploration
($ Millions)

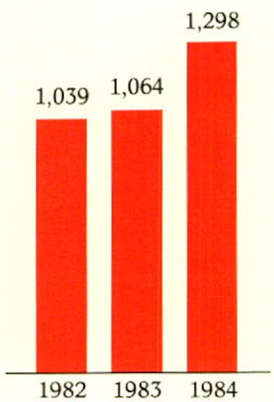


Oil and Gas Revenue
($ Millions)

Oil Production
(Bbls — 000s)



Gas Production
(Mmcf)



Oil and Gas

Campbell participates in a program of direct investment in oil and gas exploration, development and production in western Canada. Generally, oil and gas activities are managed by Dome Petroleum as operator under an agreement which provides for payment to Dome Petroleum of an overriding royalty and management fee.

Oil and gas revenues increased 21% to $12,534,000 in 1984 principally as a result of increased production and higher prices. Sales of oil represented 74% of total oil and gas revenues during 1984.

Operating income has declined over the past three years, principally as a result of the costs associated with increased depletion charges and increased operating activity. Cash flow from oil and gas operations was $8,782,000 in 1984, $7,060,000 in 1983 and $6,358,000 in 1982.

At December 31, 1984, Campbell had a net working interest of 136 producing wells of which 87 were oil and 49 were gas. Oil and gas fields in Alberta accounted for approximately 85% of Campbell's crude oil production and approximately 92% of natural gas production in 1984. Production for the three years ended December 31, 1984, before freehold, override and Crown royalties, was as follows:

	1984	1983	1982
Oil and natural gas liquids (000 bbls)	374	344	293
Natural gas (mmcf)	1,298	1,064	1,039

Oil production has risen 28% since 1982 principally as a result of increased demand and additional production from new wells. Natural gas sales increased 22 % in 1984 as a result of increased demand and export of natural gas to the United States.

The average 1984 natural gas price remained lower than 1982 levels due to sales of industrial gas at discounted prices and lower export prices on sales to the United States which reduced export flowback. Average selling prices for the past three years are as follows:

	1984	1983	1982
Oil and natural gas liquids (per bbl)	$32.14	$29.59	$26.28
Natural gas (per mcf)	$2.57	$2.28	$2.70

Oil and gas capital expenditures by Campbell were $5,699,000 in 1984 compared to $2,312,000 in 1983 and $3,662,000 in 1982. The level of expenditures in 1983 and 1982 was affected by reduced direct activity and an increased number of farmouts by Dome Petroleum. In 1983, Campbell elected not to participate in Dome Petroleum's farmouts to Dome Canada Limited and Home Oil Company Limited.

At December 31, 1984, Campbell had the following proved oil and gas reserves, net of override and freehold royalties but before provincial royalties:

	Proved developed	Proved undeveloped	Total
Oil and natural gas liquids (000 bbls)	4,108	898	5,006
Natural gas (bcf)	26.5	26.9	53.4

The following table summarizes Campbell's land holdings and interests by area at December 31, 1984:

	Gross working interest	Net working interest	Gross royalty interest
	(thousands of acres)		
Alberta	8,782	196	360
British Columbia	1,173	24	3
Manitoba	1,093	37	—
Ontario	49	1	—
Saskatchewan	2,513	75	73
Mackenzie Valley	3,772	58	2,184
Total	17,382	391	2,620
Developed	2,168	42	297
Undeveloped	15,214	349	2,323

Of total net working interest acreage in the traditional producing areas of western Canada, approximately 42% is mineral title land for which Campbell holds mineral rights in perpetuity.

On March 28, 1985, an agreement of understanding regarding energy pricing and taxation was reached between the Governments of Canada, Alberta, Saskatchewan and British Columbia. Objectives of the agreement include the promotion of new investment and the taxation of earnings rather than revenues.

Commencing June 1, 1985, crude oil pricing in Canada will be deregulated. Approximately 45% of Campbell's oil reserves will qualify for higher prices as a result of deregulation. Prices for oil discovered prior to 1974 will rise but the favourable impact of this change is expected to be largely offset by a decline in prices for oil discovered after that date.

The Petroleum and Gas Revenue Tax ("PGRT") on existing production, which is effectively 12% at present, will be phased out by 1989. In 1984, Campbell's PGRT amounted to $1,103,000. The effective rate of PGRT on existing production will be 10% in 1986, 8% in 1987, 6% in 1988 and will be eliminated in 1989. PGRT will not apply to new production commencing on or after April 1, 1985.

Further disclosure of oil and gas producing activities is included under the heading "Unaudited Supplementary Information - Oil and Gas".

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

Net income of $25,339,000 or $0.53 per share in 1984 compares to $37,521,000 or $0.78 per share in 1983 and $35,762,000 or $0.75 per share in 1982. The decline in earnings is principally attributable to lower gold prices, reduced production at the Campbell Mine, and increased costs including the first full year of operation of the Detour Lake Mine and an expanded mineral exploration program. In 1983, Campbell realized a gain of $6,810,000 after taxes on the sale of an investment. Losses reported by Dome Petroleum reduced income by $10,347,000 in 1983 and $3,900,000 in 1982. Campbell's share of the 1983 loss reported by Dome Petroleum eliminated the carrying value of Campbell's investment and as a result, Campbell's share of the 1984 loss of Dome Petroleum is not required to be recorded.

Mining

The number of ounces of gold produced, the price of gold and operating costs are the principal determinants of mine operating income and cash flow. Mining operations over the past three years are summarized as follows:

	1984	1983	1982
Ounces of gold produced			
Campbell Mine	213,946	219,200	217,158
Detour Lake Mine (1)	39,479	5,937	
Dee Gold Mine (2)	719		
Revenue per ounce — $Cdn.	$463	$518	$463
Bullion revenue (000's)	$117,686	$116,729	$100,550
Mine operating costs (000's) (3)	$52,988	$31,681	$26,485
Operating income before taxes (000's) (3)	$64,698	$85,048	$74,065

(1) commercial production commenced November 1, 1983; ounces produced represent Campbell's 50% share of production only.
(2) commercial production commenced October 15, 1984.
(3) excluding outside mineral exploration costs.

In 1984, the additional bullion revenue resulting from a full year's operation of the Detour Lake Mine was partially offset by a decrease in production at the Campbell Mine and an 11% decline in gold price. The Dee Gold Mine commenced commercial operation in October, 1984. During 1983, an increase in gold production and a 12% rise in the price of gold combined to increase revenues by 16%. Commercial production at the Detour Lake Mine began late in 1983.

Mine operating costs rose 67% in 1984, 20% in 1983 and 14% in 1982. Costs in 1984 include Campbell's share of a full year's operations at the Detour Lake Mine compared to two months in 1983.

The Campbell Mine generated operating cash flow of $71,057,000 during 1984 compared to $88,348,000 in 1983. Campbell's share of operating cash flow from the Detour Lake Mine was $600,000 during 1984. After depreciation charges of $5,096,000, Campbell's share of the Detour Lake Mine operating loss in 1984, excluding allocated general corporate costs, was $4,496,000. Campbell has contracted to deliver 40,000 ounces of gold at various times during 1985 at a minimum price of U.S. $341 per ounce. These sales represent substantially all of Campbell's share of expected 1985 production at the Detour Lake Mine. If the market price of gold exceeds U.S.$341 on the relevant delivery dates, Campbell will receive 12% of the excess.

Oil and gas

Oil and gas revenues increased 21% during 1984 to $12,534,000 from $10,367,000 in 1983 principally as a result of new wells brought on stream and higher prices. In 1984, operating costs increased 43% over 1983, principally as a result of increased depletion charges and increased operating activity.

Investments

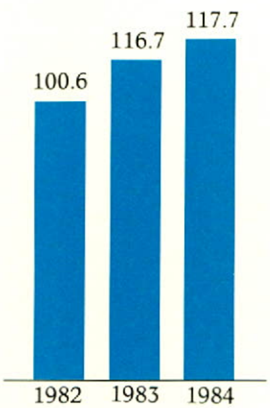
In 1983, Campbell sold an investment for a gain of $9,134,000 before income taxes ($6,810,000 after taxes). Dividends of $1,477,000 had been received in 1982 from the investment. In 1983, Campbell wrote off the cost of an investment in an oil and gas drilling fund as the wells drilled resulted in dry holes and non-commercial gas wells.

Financial Condition

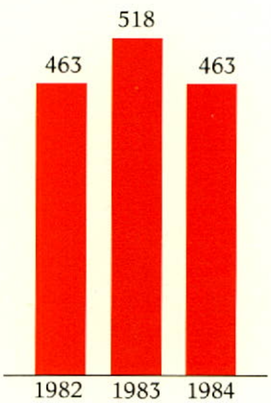
Cash provided by operating activities was $40,077,000 in 1984, $41,494,000 in 1983 and $66,396,000 in 1982. In 1984, Campbell financed its operations from internally generated funds. Net proceeds of sale of $21,724,000 were received by Campbell in 1983 from the sale of an investment. The acquisition in 1982 of Dome Mines' 25% working interest in the Detour Lake Mine was financed through the issuance to Dome Mines of two promissory notes and the granting of a royalty interest in that property. During 1983, Campbell repaid the first note in the amount of $7,063,000.

During the past three years, expenditures by Campbell on property, plant and equipment totalled $91,461,000. Costs included expenditures on the Detour Lake Mine, including the acquisition in late 1982 of Dome Mines' interest

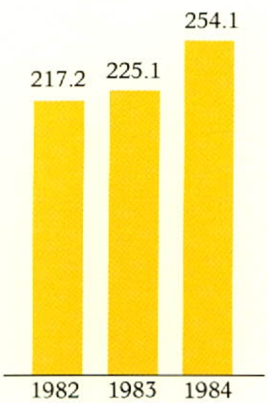
Bullion Revenue
($ Millions)



Revenue Per Ounce
($ Canadian)



Ounces of Gold
(000s)



therein. These expenditures are summarized as follows:

	1984	1983	1982
	(thousands of Canadian dollars)		
Mining —			
Campbell Mine	$ 4,328	$ 2,088	$ 2,941
Detour Lake Mine	5,949	25,051	36,474
Dee Gold Mine	1,638	1,332	245
	11,915	28,471	39,660
Oil and gas	5,463	2,290	3,662
	$17,378	$30,761	$43,322

A description of differences between Canada-United States generally accepted accounting principles is contained in note 1(a)(iii) to the financial statements. For a discussion of the effects of changing prices see heading "Unaudited Supplementary Information — Effects of Changing Prices".

Dome Petroleum

At April 23, 1985, Campbell owned 2,315,000 or approximately 0.8% of the outstanding common shares of Dome Petroleum. The investment is accounted for by the equity method whereby the investment is carried at cost less Campbell's share of the losses of Dome Petroleum since the dates of acquisition. Campbell's share of the 1983 loss reported by Dome Petroleum eliminated the carrying value of Campbell's investment. As at April 23, 1985, the quoted market value of the investment, which is not necessarily indicative of its realizable value, was $7,871,000, compared to an original cost of $6,922,000.

Accounting Policies

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada which in the Company's case conform, in all material respects, with those generally accepted in the United States except as described in note 1(a)(iii). The significant accounting policies are as follows:

Basis of presentation

The financial statements include Campbell's 50% undivided interest in the assets, liabilities, and expenses of the Detour Lake Mine, an unincorporated joint venture.

Inventories

Bullion is valued at net realizable value. Mining and milling supplies are valued at average cost.

Investments

Campbell's parent company, Dome Mines Limited, accounts for its investment in common shares of Dome Petroleum Limited ("Dome Petroleum") by the equity method. Therefore, Campbell's investment in common shares of Dome Petroleum is also accounted for by the equity method whereby the investment is carried at cost less Campbell's share of the losses since the dates of acquisition. The portion of Campbell's share of such losses which exceeds the cost of investment has not been recorded in Campbell's accounts. Campbell's share of any subsequent earnings of Dome Petroleum will not be recorded until such previously unrecorded losses are recovered. The excess of the cost of the investment over the underlying book value of Dome Petroleum at the dates of acquisition has been attributed to Dome Petroleum's Canadian oil and gas reserves and is amortized to income based on the proportion that Dome Petroleum's current production revenues are to current plus estimated future revenues from proved reserves.

Marketable securities are carried at the lower of cost and market. Other investments are carried at cost.

Property, plant and equipment

Mining —

Property, plant and equipment are carried at cost. Depreciation and depletion are provided using the straight-line method based on estimated economic life to a maximum of 20 years using the following annual rates:

Mine, mill and plant	5%
Equipment	10% to 20%
Deferred exploration and development	5% to 20%

Exploration costs, overhead costs, interest (see "Capitalized interest") and other carrying charges related to development of mineral properties with potential economically recoverable reserves are deferred until the start of commercial production and are then written off over the estimated economic lives of the properties or producing mines.

Upon the sale or retirement of capital assets, their cost and related depreciation or amortization are removed from the accounts and any gain or loss is taken into income. Repairs and maintenance are charged to operations; major betterments and replacements are capitalized.

Oil and gas —

Oil and gas operations are accounted for by the full cost method whereby all costs of exploring for and developing reserves are capitalized. Such costs include land acquisitions, geological and geophysical expenditures, costs of drilling both productive and non-productive wells, interest and other carrying charges of non-producing property and overhead costs related to exploration activities.

The carrying value of oil and gas properties cannot exceed the sum of estimated future net revenues from proved reserves plus the lower of cost and net realizable value of unproved properties. Any excess is charged to expense.

Depreciation and depletion charges are determined based on the proportion that current production revenues are to current plus estimated future revenues from proved reserves. Estimated future revenues are based on prices in effect at the end of the year as contained in the Energy Pricing and Taxation Agreements reached between the Government of Canada and the governments of the producing provinces, assuming that the world oil reference price remains constant. Costs of acquiring certain undeveloped properties are excluded from the depletion base until the properties are evaluated through further exploration or over a term not exceeding five years.

Gains or losses on the disposition of oil and gas properties are not recognized unless such disposition would significantly alter the relationship between capitalized costs and proved reserves. Upon the sale or retirement of other assets, their cost and related depreciation and depletion are removed from the accounts and any gain or loss is taken into income. Repairs and maintenance are charged to operations; major betterments and replacements are capitalized.

Mineral exploration and development

Exploration costs incurred prior to establishing that a mineral property has potential economically recoverable reserves are charged to income. On-going development expenditures on producing properties are expensed as incurred.

Capitalized interest

Interest costs related to properties undergoing exploration or development activities that are not subject to depletion and depreciation are capitalized. When mining commences or oil and gas expenditures become subject to depletion, interest costs are charged to income.

Income and mining taxes

The provisions for income and mining taxes are based on accounting income. Deferred taxes arise as a result of recognizing costs in different periods for accounting and tax purposes. Such timing differences arise principally from claiming depreciation, exploration and development costs for tax purposes at amounts differing from those charged to income.

Investment tax credits are accounted for by the deferral method whereby the cost of assets is reduced at such time, and to the extent reasonable assurance exists that the credits will be realized.

Auditors' Report

To the Shareholders of
Campbell Red Lake Mines Limited:

We have examined the balance sheets of Campbell Red Lake Mines Limited as at December 31, 1984 and 1983 and the statements of income, retained earnings and cash flows for each of the years in the three year period ended December 31, 1984. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at December 31, 1984 and 1983 and the results of its operations and the changes in its financial position for each of the years in the three year period ended December 31, 1984 in accordance with accounting principles generally accepted in Canada applied, except for the change in accounting in 1983, with which we concur, by an equity accounted investee, as described in note 1 (a)(ii) to the financial statements, on a consistent basis.

Clarkson Gordon

Toronto, Canada
March 25, 1985

Clarkson Gordon
Chartered Accountants

Statements of Income

(thousands of Canadian dollars, except per share)

	Years ended December 31		
	1984	1983	1982
Revenue	**$130,220**	$127,096	$109,676
Operating costs	**72,948**	43,157	34,738
Operating income	**57,272**	83,939	74,938
Other income (notes 2(b) and 2(d))	**2,942**	10,759	5,349
Income before taxes and share of losses of Dome Petroleum	**60,214**	94,698	80,287
Income and mining taxes (note 5(a))	**34,875**	46,830	40,625
Income after taxes, before share of losses of Dome Petroleum	**25,339**	47,868	39,662
Share of losses of Dome Petroleum (note 1)	**—**	(10,347)	(3,900)
Net income	**$ 25,339**	$ 37,521	$ 35,762
Per share:			
Net income	**$0.53**	$0.78	$0.75
Dividends	**$0.44**	$0.48	$0.34

(See accompanying accounting policies and notes to financial statements)

Statements of Retained Earnings

(thousands of Canadian dollars)

	Years ended December 31		
	1984	1983	1982
Retained earnings, beginning of year	**$159,831**	$145,347	$125,903
Net income	**25,339**	37,521	35,762
	185,170	182,868	161,665
Dividends	**21,117**	23,037	16,318
Retained earnings, end of year	**$164,053**	$159,831	$145,347

(See accompanying accounting policies and notes to financial statements)

Balance Sheets

(thousands of Canadian dollars)

	December 31	
Assets	**1984**	**1983**
Current assets:		
Cash and short-term investments	**$ 40,678**	$ 44,510
Bullion settlements receivable	**612**	—
Bullion	**9,489**	5,019
Accounts receivable —		
Dome Petroleum	**—**	857
Other	**2,183**	1,404
Mining and milling supplies	**4,391**	3,964
Total current assets	**57,353**	55,754
Investments (note 1)	**969**	1,075
Property, plant and equipment (note 2(a))	**218,570**	214,022
	$276,892	$270,851

(See accompanying accounting policies and notes to financial statements)

Liabilities and Shareholders' Equity	December 31 1984	1983
Current liabilities:		
Accounts payable and accrued liabilities	$ 6,371	$ 4,868
Income and other taxes payable	19,715	25,647
Dividends payable —		
Dome Mines	2,729	3,275
Other shareholders	2,070	2,484
Total current liabilities	30,885	36,274
Long-term debt (note 4)	14,845	12,903
Deferred income and mining taxes	65,488	60,222
Commitment and contingency (notes 5(d) and 7)		
Shareholders' equity:		
Capital —		
Authorized:		
100,000,000 preference shares		
105,000,000 common shares		
Issued:		
47,994,000 common shares	1,621	1,621
Retained earnings	164,053	159,831
Total shareholders' equity	165,674	161,452
	$276,892	$270,851

On behalf of the Board:

Director

Director

Statements of Cash Flows

(thousands of Canadian dollars)

	Years ended December 31		
	1984	1983	1982
Cash provided by operating activities:			
Net income	**$25,339**	$37,521	$35,762
Items not affecting cash —			
Depreciation, depletion and amortization	**12,830**	6,068	3,995
Interest on long-term debt	**1,942**	281	—
Deferred income and mining taxes	**5,266**	6,324	7,946
Share of losses of Dome Petroleum	**—**	10,347	3,900
Gain on investments	**—**	(7,294)	—
	45,377	53,247	51,603
Net change in current assets and current liabilities related to operations —			
Accounts receivable	**78**	70	(2,009)
Marketable securities	**—**	—	1,390
Mining and milling supplies	**(427)**	(483)	99
Accounts payable and accrued liabilities	**981**	1,028	221
Income and other taxes payable	**(5,932)**	(12,368)	15,092
Cash provided by operating activities	**40,077**	41,494	66,396
Cash provided by (used in) investment activities:			
Additions to property, plant and equipment —			
Mining	**(11,915)**	(27,075)	(21,372)
Oil and gas	**(5,463)**	(2,290)	(3,662)
Investments	**106**	(288)	217
Acquisition of parent company's interest in Detour Lake Mine (note 3)	**—**	—	(18,275)
Issue of long-term debt (note 4)	**—**	—	18,275
Marketable securities	**—**	21,724	—
Net change in accounts payable related to investment activities	**522**	(1,811)	(530)
	(16,750)	(9,740)	(25,347)
Cash provided by (used in) financing activities:			
Bank loan	**—**	(5,000)	5,000
Dividends	**(22,077)**	(22,077)	(15,838)
Repayment of long-term debt	**—**	(7,049)	(10,000)
	(22,077)	(34,126)	(20,838)
Net increase (decrease) in cash	**1,250**	(2,372)	20,211
Cash, beginning of year	**49,529**	51,901	31,690
Cash, end of year	**$50,779**	$49,529	$51,901
Changes in components of cash:			
Cash and short-term investments	**$ (3,832)**	$ (3,947)	$22,402
Bullion settlements receivable	**612**	(746)	746
Bullion	**4,470**	2,321	(2,937)
	$ 1,250	$ (2,372)	$20,211

(See accompanying accounting policies and notes to financial statements)

Notes to Financial Statements

1. Investments

(a) Dome Petroleum Limited

(i) Investment

Campbell owns 2,315,000 or 0.8% (1983 — 2,315,000 or 0.9%) and its parent and affiliated companies own an additional 23.2% (1983 — 24.0%) of the common shares of Dome Petroleum.

Details of Campbell's investment in Dome Petroleum, which is accounted for by the equity method, are as follows:

	1984	1983
	(thousands of Canadian dollars)	
Carrying value:		
Cost	**$ 6,922**	$ 6,922
Share of losses of Dome Petroleum	**(6,922)**	(6,922)
	$ —	$ —
Quoted market value (which is not necessarily indicative of realizable value)	**$5,000**	$9,607

The unamortized excess of Campbell's cost of the investment over the underlying book value of Dome Petroleum at the dates of acquisition is $3,345,000 (1983 — $3,345,000).

Since the dates of acquisition of the investment in Dome Petroleum, Campbell's share of losses reported by Dome Petroleum amounted to $8,296,000. The excess of such losses over the cost of investment, in the amount of $1,374,000, has not been recorded in Campbell's accounts. Campbell's share of any subsequent earnings of Dome Petroleum will not be recorded until such previously unrecorded losses are recovered.

(ii) Change in accounting policy by Dome Petroleum

On December 31, 1983, Dome Petroleum segregated its investment in Frontier areas from its western Canada oil and gas lands and established separate cost centres and, as a consequence, certain Frontier costs were charged directly to income. Under the accounting policy followed prior to December 31, 1983, Frontier costs would have been included with other oil and gas property costs subject to depletion and amortized to income in accordance with Dome Petroleum's depletion policy for western Canada lands. This change in accounting policy by Dome Petroleum decreased Campbell's net income in 1983 by $2,736,000 or $0.06 per share.

(iii) Differences between Canadian and United States generally accepted accounting principles

The financial statements of Campbell and Dome Petroleum are prepared in accordance with accounting principles generally accepted in Canada (the "Canadian basis"). Certain of the accounting principles followed by Dome Petroleum are not in accordance with accounting principles generally accepted in the United States (the "U.S. basis"). Consequently, the amounts reported as Campbell's carrying value of its investment in Dome Petroleum and its share of Dome Petroleum's losses would have been different if such amounts had been determined in accordance with the U.S. basis. Had the U.S. basis been followed, certain items in the accompanying balance sheets and statements of income would have been reported as follows:

	1984	1983	1982
	(thousands of Canadian dollars)		
Investment in Dome Petroleum	**$500**	$1,980	$10,053
Retained earnings	**$164,553**	$161,811	$145,053
Net income	**$23,859**	$39,795	$35,459
Net income per share on U.S. basis	**$0.50**	$0.83	$0.74
Net income per share on Canadian basis	**$0.53**	$0.78	$0.75

Differences between the amounts which would be reported under Canadian and United States accounting principles are primarily caused by Dome Petroleum's method of accounting for Canadian exploration and development costs, as described in note 1(a)(ii).

(b) Other investments

Details of other investments are as follows:

	1984	1983
	(thousands of Canadian dollars)	
With no quoted market value —		
Panarctic Oils Ltd., 246,260 (1983 — 226,190) common shares	**$693**	$ 713
Sundry	**276**	362
Total	**$969**	$1,075

2. Business segments

The Board of Directors has determined that mining and oil and gas exploration and production are the business segments of the Company. These activities are carried out principally in Canada. Selected financial information by business segment is summarized below.

(a) Total assets at December 31 are summarized as follows:

	1984	1983
	(thousands of Canadian dollars)	
Mining —		
Property, plant and equipment	**$100,774**	$ 94,559
Less accumulated depreciation	**24,484**	18,992
	76,290	75,567
Deferred exploration and development	**19,344**	15,198
	95,634	90,765
Current assets	**15,652**	9,238
	111,286	100,003
Oil and gas —		
Property, plant and equipment	**136,068**	130,605
Less accumulated depreciation and depletion	**13,132**	7,348
	122,936	123,257
Current assets	**735**	1,708
	123,671	124,965
Assets not allocated to segments —		
Current assets	**40,966**	44,808
Investments	**969**	1,075
	41,935	45,883
	$276,892	$270,851

(b) Expenditures during the past three years on property, plant and equipment are summarized as follows:

	1984	1983	1982
	(thousands of Canadian dollars)		
Mining	**$11,915**	$28,471	$39,660
Oil and gas	**5,463**	2,290	3,662
	$17,378	$30,761	$43,322

(c) Revenue, operating costs and operating income by segment are as follows:

	1984	1983	1982
	(thousands of Canadian dollars)		
Mining —			
Bullion revenue	**$117,686**	$116,729	$100,550
Operating costs:			
Mine, mill and plant	**41,111**	25,776	22,037
General and administrative	**4,831**	3,177	2,501
Depreciation and amortization	**7,046**	2,728	1,947
Outside mineral exploration	**6,430**	2,589	2,073
	59,418	34,270	28,558
Operating income	**58,268**	82,459	71,992
Oil and gas —			
Revenue	**12,534**	10,367	9,126
Operating costs:			
Operations	**2,043**	1,655	1,159
General and administrative	**590**	576	522
Depreciation and depletion	**5,784**	3,340	2,048
Revenue taxes	**1,119**	1,076	1,087
	9,536	6,647	4,816
Operating income	**2,998**	3,720	4,310
General corporate costs	**2,052**	1,959	1,364
Interest on long-term debt	**1,942**	2,153	824
Less interest capitalized	**—**	(1,872)	(824)
	3,994	2,240	1,364
Operating income	**57,272**	83,939	74,938
Other income —			
Interest	**2,320**	3,465	3,872
Gain on investments (note 2(d))	**—**	7,294	—
Other	**622**	—	—
Dividends	**—**	—	1,477
	2,942	10,759	5,349
Income and mining taxes	**(34,875)**	(46,830)	(40,625)
Income after taxes, before other item	**25,339**	47,868	39,662
Share of losses of Dome Petroleum	**—**	(10,347)	(3,900)
Net income	**$ 25,339**	$ 37,521	$ 35,762

(d) Acquisition costs of certain non-producing oil and gas properties excluded from assets for purposes of calculating depletion at December 31 were $13,539,000 in 1984, $31,591,000 in 1983 and $78,178,000 in 1982. Of the amount excluded at December 31, 1984, all is attributable to acquisition costs incurred in 1982 and prior years. All costs presently excluded will be added to depletable assets by December 31, 1985.

Depreciation and depletion of capitalized oil and gas costs are calculated based on a percentage of oil and gas revenue. These rates were 46% in 1984, 32% in 1983 and 22% in 1982.

(e) On February 10, 1983, the Company sold an investment for $21,799,000, realizing a gain of $9,134,000 before provision for income taxes. On December 31, 1983, the Company wrote off the $1,840,000 cost of investment in an oil and gas drilling fund.

3. Detour Lake Mine

In 1982, Campbell acquired Dome Mines' 25% working interest in the Detour Lake Mine and assumed Dome Mines' obligations for further expenditures. As consideration, Campbell agreed to pay to Dome Mines $18,275,000 evidenced by two promissory notes secured by a charge on Campbell's working interest in the Detour Lake Mine. In addition, Campbell granted to Dome Mines a royalty of 27.5% of net operating cash flow received by Campbell from the Detour Lake Mine. The royalty does not accrue until the notes have been repaid in full.

The mine commenced commercial production November 1, 1983. A summary of Campbell's 50% undivided interest in the assets and liabilities of the mine and Campbell's share of revenues and expenses as at and for the periods ended December 31 are as follows:

	1984	1983
	(thousands of Canadian dollars)	
Balance sheets —		
Assets	**$77,809**	$75,003
Liabilities	**1,842**	1,663
	$75,967	$73,340
Income statements —		
Revenue	**$18,246**	$ 2,767
Operating costs (including depreciation of $5,096,000 in 1984 and $801,000 in 1983)	**23,017**	4,183
Loss	**$ 4,771**	$ 1,416

4. Long-term debt

On June 27, 1983, Campbell repaid to Dome Mines $7,063,000 of long-term debt incurred in connection with Campbell's purchase of Dome Mines' 25% working interest in the Detour Lake Mine as described in note 3. In connection with such purchase, a further amount of $11,212,000 bearing interest at 15% per annum is payable to Dome Mines. At December 31, 1984, interest of $3,633,000 was payable to Dome Mines. Campbell is only required to commence payments of principal and interest after recovery of its expenditures, with interest, related to the additional obligations assumed from Dome Mines. Principal and interest are payable annually only to the extent of 40% of net operating cash flow of Campbell from the Detour Lake Mine.

5. Income and mining taxes

(a) Details of income and mining taxes expense (recovery) are as follows:

	Current	Deferred	Total
	(thousands of Canadian dollars)		
1984			
Federal income tax	**$10,361**	**$5,569**	**$15,930**
Provincial income tax	**5,253**	**905**	**6,158**
Provincial mining tax	**13,995**	**(1,208)**	**12,787**
	$29,609	**$5,266**	**$34,875**
1983			
Federal income tax	$15,726	$4,065	$19,791
Provincial income tax	6,800	1,930	8,730
Provincial mining tax	17,980	329	18,309
	$40,506	$6,324	$46,830
1982			
Federal income tax	$13,234	$4,402	$17,636
Provincial income tax	6,263	465	6,728
Provincial mining tax	13,182	3,079	16,261
	$32,679	$7,946	$40,625

(b) Deferred taxes arising from claiming costs for tax purposes at amounts differing from those charged to income are as follows:

	1984	1983	1982
	(thousands of Canadian dollars)		
Depreciation and depletion	**$3,181**	$4,639	$3,420
Exploration and development costs	**2,096**	2,488	3,669
Other	**(11)**	(803)	857
	$5,266	$6,324	$7,946

(c) The reconciliation of the statutory tax rates to the effective tax rate is as follows:

	1984	1983	1982
Income taxes —			
Basic statutory rate	**49.8 %**	49.8 %	49.1 %
Less:			
Federal resource allowance	**12.0**	9.3	9.4
Federal earned depletion allowance	**6.0**	9.7	10.4
Exempt income [1]	—	2.4	0.9
Federal surtax	—	(0.5)	(1.0)
Crown royalties	**(1.6)**	(0.8)	(0.4)
Revenue taxes	**(1.0)**	(0.6)	(0.7)
Sundry	**(2.3)**	0.2	0.2
	13.1	19.7	18.8
Effective rate	**36.7**	30.1	30.3
Mining taxes —			
Average rate on mining income	**22.5**	22.2	23.0
Income not subject to mining taxes	**1.3**	2.8	2.7
Effective rate	**21.2**	19.4	20.3
Effective tax rate	**57.9 %**	49.5 %	50.6 %

[1] Exempt income consists principally of dividends from Canadian corporations and the non-taxable portion of capital gains on the sale of investments.

(d) Subsequent to December 31, 1984, the Company received notices of reassessment under the Ontario Mining Tax Act, imposing additional taxes and interest for the years 1979 to 1982, inclusive. The Company believes the reassessments are not warranted and has filed notices of appeal.

Pending resolution of the appeals, payments made in respect of the reassessments will be recorded as taxes recoverable. Should the appeal be unsuccessful, any additional tax provision required with respect to the years reassessed would be charged to retained earnings as a prior period adjustment. Under accounting principles generally accepted in the United States, such an adjustment would be included in income in the period the reassessment is settled. The maximum amount of the prior period adjustment, if any, is not expected to exceed $2.6 million.

6. Pension and savings plans

The majority of employees are eligible for and are members of pension plans requiring contributions by the Company. Pension costs are calculated and funded based on actuarial estimates. At December 31, 1984 there were no unfunded past service obligations.

Vested and non-vested benefits under defined benefit pension plans and net assets available for plan benefits are as follows:

	December 31	
	1984	**1983**
	(thousands of Canadian dollars)	
Actuarial present value of accumulated plan benefits, using an assumed discount rate of 5.5 percent:		
Vested benefits	**$2,363**	$2,392
Non-vested benefits	**100**	111
	$2,463	$2,503
Net assets available for plan benefits	**$2,824**	$2,600

Pension expense was $255,000 in 1984, $331,000 in 1983 and $323,000 in 1982.

7. Commitment

At December 31, 1984, Campbell has contracted to deliver 40,000 ounces of gold at various times during 1985 at a minimum price of U.S. $341 per ounce. If the market price of gold exceeds U.S. $341 on the relevant delivery dates, Campbell will receive 12% of the excess.

8. Comparative figures

Certain comparative figures for the two years ended December 31, 1983 have been reclassified to conform to the current year's presentation.

Unaudited Supplementary Information

Quarterly Financial Information

Summarized quarterly financial data for 1984 and 1983 are as follows:

	Quarters Ended				Full
	March 31	June 30	Sept. 30	Dec. 31	Year
	(thousands of Canadian dollars, except per share)				
1984					
Revenue	$32,627	$34,936	$31,034	$31,623	$130,220
Operating income	$16,301	$16,979	$13,880	$10,112	$ 57,272
Share of losses of Dome Petroleum[1]	$ —	$ —	$ —	$ —	$ —
Net income	$ 7,471	$ 7,389	$ 7,155	$ 3,324	$ 25,339
Net income per share	$0.16	$0.15	$0.15	$0.07	$0.53
1983					
Revenue	$31,977	$31,458	$33,061	$30,600	$127,096
Operating income	$23,093	$22,122	$23,909	$14,815	$ 83,939
Gain (loss) on investments	$ 9,134	—	—	$ (1,840)	$ 7,294
Share of earnings (losses) of Dome Petroleum[1][2][3]	$ (305)	$ (874)	$ 31	$ (9,199)	$ (10,347)
Net income (loss)	$18,336	$10,262	$11,941	$ (3,018)	$ 37,521
Net income (loss) per share	$0.38	$0.21	$0.25	$(0.06)	$0.78

(1) Campbell's equity accounted share of the 1983 loss reported by Dome Petroleum eliminated the carrying value of Campbell's investment. Therefore, Campbell's share of Dome Petroleum's 1984 loss was not recorded.

(2) The results of Dome Petroleum were affected by write-downs and losses on disposal of assets by Dome Petroleum during the second and fourth quarters of 1983.

(3) Reference should be made to note 1(a)(ii) to the financial statements with respect to a change in accounting policy by Dome Petroleum in the fourth quarter of 1983.

Effects of Changing Prices

Supplementary information on the effects of changing prices has been prepared in accordance with the recommendations of the Canadian Institute of Chartered Accountants ("CICA"). Although there are differences in format and detail of disclosure, the objectives of the CICA recommendations are similar to those of FASB Statement No. 33.

The information presented herein is based on assumptions and estimates that are subjective. The Company's existing mining and oil and gas properties are non-renewable resources and each is individually unique. Discovery and development of such properties are dependent upon factors which are impossible to fully anticipate. CICA has recognized this problem and permits current costs to be calculated by indexing capitalized historical costs. However, under the Company's accounting policies, significant costs to discover certain properties were expensed as incurred.

With respect to mining assets, specific price indices have been applied to the capitalized historical costs of mine property, plant and equipment to calculate current costs. Capitalized interest has been adjusted to reflect current interest rates. Costs of developing certain mine properties have been either fully depreciated or have been incurred recently. As a result, the calculation of current cost by reference to capitalized historical costs has not resulted in significant current cost adjustments. No consideration has been given to the effects of technological change on the cost of replacing assets.

With respect to oil and gas properties, it has been estimated by management that their historical costs approximate current costs and accordingly, no adjustments have been made.

This information should not be construed as an indication that the current costs presented represent costs that would actually be incurred if the properties or assets were, or were able to be, replaced.

The comparative figures on both an historical cost and current cost basis have been restated to 1984 dollars to reflect the change in price levels as measured by the Canadian Consumer Price Index.

	Current cost basis		Historical cost basis	
	1984	1983	1984	1983
	(thousands of Canadian dollars)			
Balance sheet items —				
Property, plant and equipment (net)	$237,390	$236,586	$218,569	$222,583
Net assets (shareholders' equity)	$184,595	$181,914	$165,674	$167,910

	Years ended December 31	
	1984	1983
	(thousands of Canadian dollars)	
Statement of Operations on a current cost basis —		
Income before income taxes on an historical cost basis	$ 60,214	$ 87,725
Income taxes	(34,875)	(48,703)
Current cost adjustment for depreciation, depletion and amortization	(1,007)	(698)
Financing adjustment	—	29
Income on a current cost basis	$ 24,332	$ 38,353

In 1983 the financing adjustment represents the proportion of the current cost adjustment attributable to debt holders, based on the Company's debt-to-equity ratio. No financing adjustment is required in 1984 since the Company had net monetary assets.

The increase in current costs of property, plant and equipment is $6,373,000 (1983 — $5,915,000) based upon specific price changes. If the current costs had increased at the rate of general inflation as measured by the Canadian Consumer Price Index, the increase would have amounted to $8,111,000 (1983 — $9,847,000). Thus, the current cost of the assets increased by less than the effect of general inflation by $1,738,000 (1983 — $3,932,000).

During the year, the Company's monetary assets exceeded monetary liabilities resulting in a loss in general purchasing power of $56,000 from the effect of general inflation on this net monetary asset position. Last year, the Company's monetary liabilities exceeded its monetary assets resulting in general purchasing power gain of $392,000.

For information on mineral reserves, refer to the discussion of mineral exploration and each mine's operations under "Review of Operations". For information on oil and gas reserves, refer to "Reserve quantity information".

Oil and Gas

The following unaudited supplementary information of Campbell and its equity accounted investee, Dome Petroleum is disclosed in accordance with FASB No. 69 "Disclosures about Oil and Gas Producing Activities".

Capitalized costs relating to oil and gas producing activities

	December 31	
	1984	1983
	(thousands of Canadian dollars)	
Oil and gas properties		
Proved properties	$ 78,516	$ 64,867
Unproved properties	57,552	65,738
	136,068	130,605
Accumulated depletion and depreciation	13,132	7,348
Net capitalized costs	$122,936	$123,257
Proportionate interest in capitalized costs of Dome Petroleum	$40,495	$43,542

Reserve quantity information

In the following table, oil, which includes natural gas liquids, is stated in thousands of barrels and gas is measured in billions of cubic feet. Campbell's proved reserves, all of which are in Canada, are summarized as follows:

	1984		1983		1982	
	Oil	Gas	Oil	Gas	Oil	Gas
Proved reserves, beginning of year	4,787	49.4	5,140	53.2	4,951	53.4
Revisions to previous estimates	274	3.1	(247)	(4.9)	190	(3.0)
Extensions and discoveries	325	2.2	238	2.2	246	3.6
Production	(374)	(1.3)	(344)	(1.1)	(245)	(0.8)
Sales of minerals in place	(6)	—	—	—	(2)	—
Proved reserves, end of year	5,006	53.4	4,787	49.4	5,140	53.2
Proved developed reserves —						
Beginning of year	3,951	23.2	4,428	22.7	4,212	23.5
End of year	4,108	26.5	3,951	23.2	4,428	22.7

The Company's proportionate interest in the proved reserves of Dome Petroleum is as follows:

	1984		1983		1982	
	Oil	Gas	Oil	Gas	Oil	Gas
Canada	2,812	39	2,749	41	3,995	52
Foreign	—	—	—	—	189	1
	2,812	39	2,749	41	4,184	53

All reserve figures are stated after overriding and freehold royalties but before deduction of Crown royalties.

Cost incurred for property acquisition, exploration and development activities

	1984	1983	1982
	(thousands of Canadian dollars)		
Property acquisitions —			
Proved	$ —	$ —	$ 847
Unproved	311	(13)	396
Exploration	4,125	1,751	975
Development	1,222	552	1,444
	$5,658	$2,290	$3,662
Proportionate share of costs incurred by Dome Petroleum			
Canada	$1,432	$2,848	$5,695
Foreign	—	214	897
	$1,432	$3,062	$6,592

Results of operations for oil and gas producing activities

The following information summarizes the Company's results of operations for oil and gas producing activities, all of which are in Canada and the Company's proportionate share of its equity accounted investment in Dome Petroleum:

	1984	1983	1982
	(thousands of Canadian dollars)		
Revenue	$12,534	$10,367	$9,126
Production costs	3,752	3,307	2,768
Depreciation and depletion	5,784	3,340	2,048
	9,536	6,647	4,816
Income before income taxes	2,998	3,720	4,310
Income taxes	1,094	1,532	1,414
Results of operations from producing activities	$ 1,904	$ 2,188	$2,896
Proportionate share of Dome Petroleum			
Canadian	$1,695	$(1,432)	$2,240
Foreign	—	(1,642)	(145)
	$1,695	$(3,074)	$2,095

Standardized measure of discounted future net cash flows and changes therein relating to proved oil and gas reserves

Future net cash flows are based on year end prices, as determined in accordance with existing regulations, applied to the Company's proved oil and gas reserves after deducting future expenditures to be incurred in developing and producing these reserves. Future income tax expense is computed by applying the statutory tax rates in effect at year end to the future pre-tax net cash flows less the tax basis of the properties involved. A 10% discount factor has been applied in determining the standardized measure of discounted future net cash flow.

The standardized measure of discounted future net cash flows and changes therein relating to proved oil and gas reserves disclosed in the following tables may be useful for certain comparison purposes, but should not be construed as representing the fair market value nor the future cash flow of the Company's oil and gas properties. Management does not rely upon this information in making investment and operating decisions; rather those decisions are based upon a wide range of factors, including estimates of probable reserves as well as proved reserves, and price and cost assumptions different from those reflected herein.

	December 31		
	1984	1983	1982
	(thousands of Canadian dollars)		
Cash inflows	$254,500	$237,200	$222,800
Production and development costs	(58,600)	(83,120)	(68,000)
Income taxes	(79,700)	(58,984)	(95,520)
Net cash flows	116,200	95,096	59,280
10% annual discount for estimated timing of cash flows	(56,800)	(45,381)	(36,160)
Standardized measure of discounted future net cash flows	$ 59,400	$ 49,715	$ 23,120
Company's proportionate interest in standardized measure of discounted future net cash flows of Dome Petroleum	$27,016	$28,413	$28,920

Principal sources of change in the standardized measure of discounted future net cash flows

	Years ended December 31		
	1984	1983	1982
	(thousands of Canadian dollars)		
Sales, net of production costs	$ (8,900)	$ (7,638)	$ (6,358)
Net changes in prices and production costs	(1,715)	126	(2,483)
Extensions, discoveries and improved recovery, less related costs	4,700	2,800	3,680
Development costs incurred during the year	1,200	574	1,444
Revisions of previous quantity estimates(1)	5,000	(5,120)	(1,360)
Accretion of discount	7,200	6,144	8,664
Net change in income taxes	(11,700)	2,240	(6,808)
Reduction in future crown royalties	1,000	—	—
Petroleum and gas revenue tax allowance	5,600	—	—
Change in production schedule	7,300	—	—
Other adjustments and changes	—	2,314	(1,313)
Net increase (decrease)	9,685	1,440	(4,534)
Standardized measure —			
Beginning of year, as previously reported	—	23,120	27,654
Reduction in future crown royalties	—	10,309(2)	—
Net changes in income taxes	—	14,846(3)	—
Beginning of year, as restated	49,715	48,275	27,654
End of year	$59,400	$49,715	$23,120

(1) Revisions of previous quantity estimates represent the dollar value of changes to proven reserves over and above those due to production, extensions, discoveries and improved recovery results.
(2) Represents estimated future crown royalty rebates not previously included in net sales price.
(3) Includes an adjustment for tax pools not previously included in the 1982 and prior years' computation of income taxes.

Five Year Financial Review

(thousands of dollars, except per share)

	1984	1983	1982	1981	1980
Revenue					
Mining	**$117,686**	$116,729	$100,550	$109,237	$136,314
Oil and gas	**12,534**	10,367	9,126	6,271	2,688
	$130,220	$127,096	$109,676	$115,508	$139,002
Operating income					
Mining	**$ 58,268**	$ 82,459	$ 71,992	$ 83,490	$118,604
Oil and gas	**2,998**	3,720	4,310	3,049	1,257
	61,266	86,179	76,302	86,539	119,861
General corporate costs	**(2,052)**	(1,959)	(1,364)	(1,409)	(877)
Other income	**1,000**	10,478	5,349	7,567	8,806
Income and mining taxes	**(34,875)**	(46,830)	(40,625)	(48,220)	(72,307)
Share of earnings (losses) of Dome Petroleum(1)	**—**	(10,347)	(3,900)	1,570	2,040
Net income(1)	**$ 25,339**	$ 37,521	$ 35,762	$ 46,047	$ 57,523
Per share:					
Net income(1)(2)	**$0.53**	$0.78	$0.75	$0.96	$1.20
Cash dividends:					
Cdn.$(2)	**$0.44**	$0.48	$0.34	$0.35⅓	$0.41⅔
U.S.$ equivalent(2)	**$0.34**	$0.38⅘	$0.27⅕	$0.29⅕	$0.35⅕
Cash provided by operating activities	**$40,077**	$41,494	$66,396	$50,942	$101,657
Additions to property, plant and equipment (net):					
Mining	**$11,915**	$27,075	$21,372	$14,077	$11,376
Oil and gas	**$5,463**	$2,290	$3,662	$72,447	$52,206
Total assets	**$276,892**	$270,851	$272,606	$216,665	$178,155
Shareholders' equity	**$165,674**	$161,452	$146,968	$127,524	$98,435
Number of shareholders	**10,784**	10,779	11,482	11,353	9,202
Shares outstanding(2)	**47,994,000**	47,994,000	47,994,000	47,994,000	47,994,000
Price of common shares — TSE(2)					
High	**$38⅜**	$41¼	$34½	$24½	$31⅝
Low	**$21¾**	$26	$10⅛	$16⅛	$10⅝

(1) Campbell's share of earnings (losses) of Dome Petroleum reflects a change in accounting policy by Dome Petroleum in 1983 (see note 1(a)(ii) to the financial statements).
(2) Per share amounts and number of shares outstanding have been restated to reflect the three-for-one share split in May, 1981.

Had the financial statements of the Company been prepared in accordance with accounting principles generally accepted in the United States, certain selected financial data would be disclosed as follows:

	Years ended December 31				
	1984	1983	1982	1981	1980
	(thousands of Canadian dollars, except per share)				
Share of earnings (losses) of Dome Petroleum	**$(1,480)**	$(10,347)	$(3,900)	$1,570	$2,040
Net income	**$23,859**	$39,795	$35,459	$46,223	$57,441
Net income per share	**$0.50**	$0.83	$0.74	$0.96	$1.20
Total assets	**$277,392**	$272,831	$272,312	$216,674	$177,988
Shareholders' equity	**$166,174**	$163,432	$146,674	$127,533	$98,268

Five Year Operations Review

	1984	1983	1982	1981	1980 (1)
Mining					
Campbell Mine					
Ounces of gold produced	**213,946**	219,200	217,158	200,528	189,536
Tons milled	**395,000**	390,000	392,000	370,000	304,000
Operating cost per ton	**$75.78**	$70.62	$67.56	$63.10	$52.08
Revenue per ounce	**$463**	$520	$463	$545	$719
Operating cost per ounce	**$140**	$126	$122	$116	$ 84
Proven ore reserves					
Tons in place (000's)	**2,026**	2,052	2,042	2,082	2,044
Grade (ounces per ton)	**0.622**	0.622	0.622	0.620	0.617
Number of employees	**447**	437	427	426	382
Detour Lake Mine (Campbell's 50% share)					
Ounces of gold produced	**39,479**	5,937			
Tons milled	**438,000**	62,000			
Operating cost per ton	**$51.93**	$66.76			
Revenue per ounce	**$462**	$466			
Operating cost per ounce	**$576**	$697			
Proven and probable reserves —					
Tons in place (000's)	**5,450**	15,100			
Grade (ounces per ton)	**0.128**	0.113			
Number of employees	**303**	284			
Dee Gold Mine (Campbell's 11.7% share)					
Ounces of gold produced	**719**				
Oil and Gas					
Production volumes					
Oil and natural gas liquids (000 bbls.)	**374**	344	293	351	161
Gas (mmcf)	**1,298**	1,064	1,039	953	449
Wells drilled (net)					
Oil	**7**	4	2	3	2
Gas	**3**	2	2	6	4
Dry	**2**	2	1	3	2
Total	**12**	8	5	12	8
Net proved reserves					
Oil and natural gas liquids (000 bbls.)	**5,006**	4,787	5,140	4,951	4,718
Gas (bcf)	**53.4**	49.4	53.2	53.4	31.2

(1) Oil and gas activities during 1980 include only six months of operations.

Share Information

Principal Markets for the Company's Shares

Campbell's common shares are listed on the New York Stock Exchange in the United States and on The Toronto Stock Exchange in Canada (Stock symbol: CRK), which are the principal exchanges on which the common shares are traded. Shown below are the high and low sale prices for the Company's common shares on these exchanges for the periods indicated.

	1984		1983	
	High	**Low**	High	Low
The Toronto Stock Exchange (Canadian Dollars)				
First Quarter	**$38⅜**	**$30¼**	$38½	$26
Second Quarter	**37¼**	**31⅝**	41¼	30
Third Quarter	**32⅜**	**23⅜**	38	28
Fourth Quarter	**31¾**	**21¾**	33¼	26⅝
New York Stock Exchange (United States Dollars)	**High**	**Low**	High	Low
First Quarter	**$30⅜**	**$24¼**	$31	$21
Second Quarter	**29¼**	**24⅛**	33½	24⅛
Third Quarter	**24⅞**	**17⅝**	31	23
Fourth Quarter	**24¼**	**16⅜**	26⅞	21½

Shareholders

As at March 31, 1985, the Company had 47,994,000 common shares issued and outstanding, of which 27,290,160 or approximately 56.9% are owned by Dome Mines. The Company's records indicate that there were 10,784 shareholders of record at January 28, 1985.

The Company's Articles and by-laws contain no restrictions on the right to hold or vote the common shares of the Company.

Dividends

Dividends declared in Canadian dollars on the common shares for each quarterly period during 1984 and 1983 are shown below.

	1984	**1983**
First Quarter	**$0.12**	$0.12
Second Quarter	**0.12**	0.12
Third Quarter	**0.10**	0.12
Fourth Quarter	**0.10**	0.12
	$0.44	$0.48

A regular quarterly dividend of $0.10 per share was declared by the Board of Directors on March 26, 1985, payable May 27, 1985 to common shareholders of record April 22, 1985.

Dividends are declared in Canadian dollars. However, at the request of the shareholder an equivalent amount will be paid in United States funds.

Cash dividends paid to non-residents of Canada are subject to Canadian withholding taxes. Under a reciprocal tax treaty, shareholders resident in the United States are subject to a withholding tax of 15%.

The Company has paid dividends since 1953 and expects to continue to do so; however, the decision to pay dividends is at the discretion of the Board of Directors and is governed by such factors as earnings, capital requirements and the operating and financial condition of the Company.

Directors

Fraser M. Fell, Q.C.
Chairman and
Chief Executive Officer,
Dome Mines Limited, Campbell
Red Lake Mines Limited and
Sigma Mines (Quebec) Limited
Toronto, Ontario.

C. Henry Brehaut
President and Chief
Operating Officer,
Dome Mines Limited, Campbell
Red Lake Mines Limited and
Sigma Mines (Quebec) Limited
Toronto, Ontario.

*__Peter A. Crossgrove__
Toronto, Ontario.
President and Chief Executive
Officer, ITCO Properties Ltd.

*__Robert M. Franklin__
Toronto, Ontario.
Executive Vice-President,
Algonquin Mercantile Corporation

*__Alan R. McFarland__
New York, New York.
General Partner,
Lazard, Freres & Co.

R. Jack Pirie
Calgary, Alberta.
President and Chief Executive
Officer, Sabre Petroleums Ltd.

*__J. Keith Reynolds__
Toronto, Ontario.
Partner,
Alafin Consultants Limited

* Audit Committee Member

Director Emeritus

William F. James
Toronto, Ontario.
Partner, James & Buffam,
Consulting Geologists.
A Director of the Company
1949-1983

Officers

Fraser M. Fell, Q.C.
Chairman and
Chief Executive Officer

C. Henry Brehaut
President and
Chief Operating Officer

G. S. Wallace Bruce
Vice-President, Exploration

J. Scott Drever
Vice-President,
Corporate Development

Kenneth J. Hill
Vice-President

H. Douglas Scharf
Vice-President, Finance,
Treasurer and Chief
Financial Officer

John W. W. Hick
Secretary and General
Counsel

Victor A. Wells
Controller

John H. Hough, Q.C.
Assistant Secretary

Operations Management

Campbell Mine

Stewart M. Reid
General Manager,
Campbell Mine

Keith H. Newman
General Superintendent,
Campbell Mine

Detour Lake Mine

John S. Rogers
Manager,
Detour Lake Mine

Corporate

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Clarkson Gordon,
Toronto, Ontario.

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Toronto, Ontario.
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The Bank of New York,
48 Wall Street.
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Share Listings

(Stock symbol: CRK)
The Toronto Stock Exchange
New York Stock Exchange

Printed in Canada by
Norgraphics (Canada) Limited

Annual Report
Copies of the Annual Report of the Company are available by writing to The Royal Trust Company, Box 7500, Station A, Toronto-Dominion Centre, Toronto, Ontario, Canada M5W 1P9

Form 10-K
Copies of the Annual Report on Form 10-K filed with the Securities and Exchange Commission of the United States are available by writing to The Secretary, Box 270, 1 First Canadian Place, Toronto, Ontario, Canada M5X 1H1

Campbell Red Lake
Mines Limited
Annual Report 1984