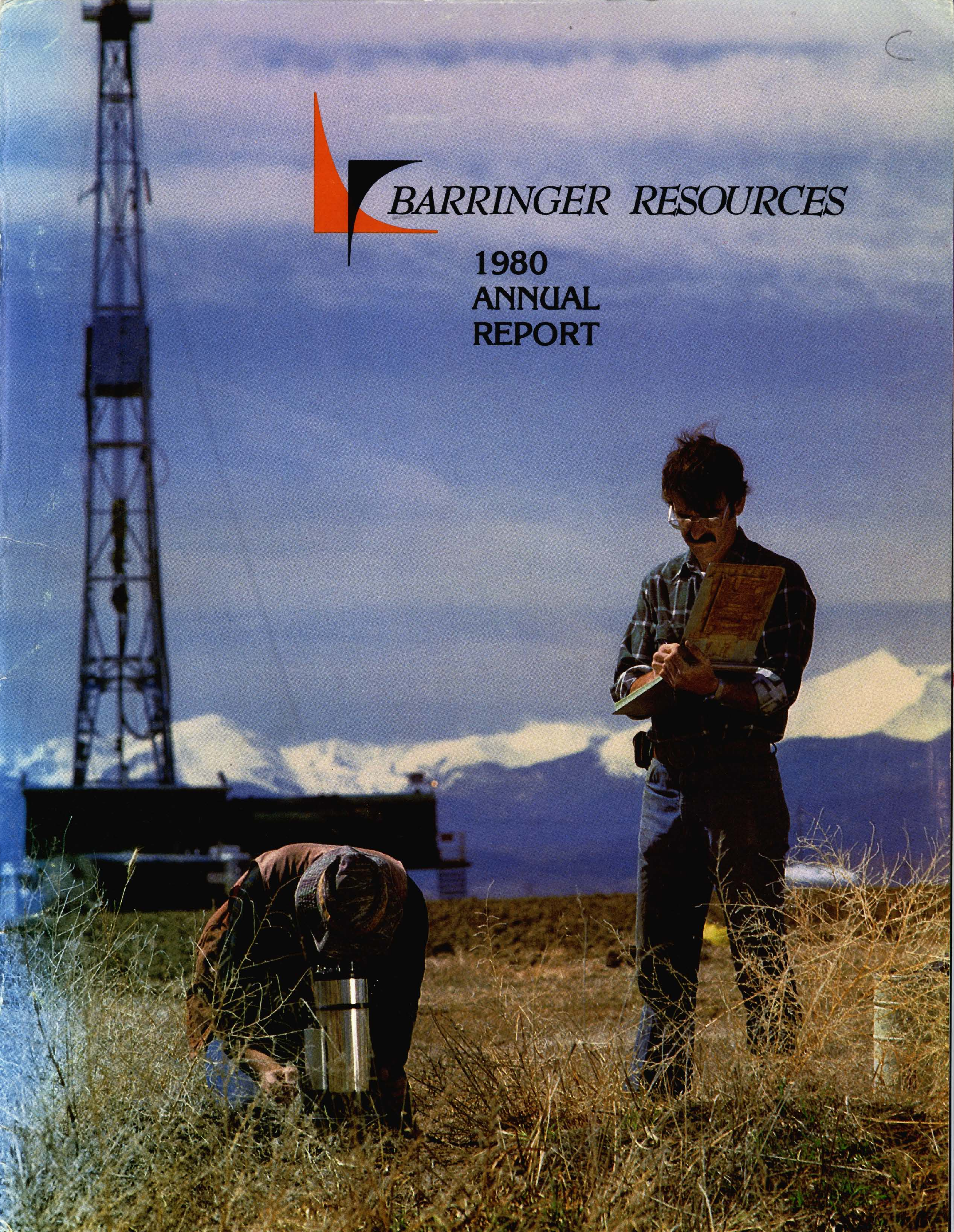
BARRINGER RESOURCES

1980 ANNUAL REPORT



BARRINGER RESOURCES

FINANCIAL HIGHLIGHTS

For the years ended December 31, 1980, 1979 and 1978

	1980	1979	1978
Total Revenue	$5,868,393	$4,956,784	$3,880,108
Operating Income	209,854	413,534	177,397
Net Earnings	683,691	459,778	161,850
Working Capital	867,623	909,943	722,328
Shareholders' Equity	3,353,928	2,145,395	1,669,030
Net Earnings, as Percentage of Total Revenues	11.7%	9.3%	4.2%
Net Earnings per share	35¢	25¢	9¢

Barringer is again including its S.E.C. Form 10-K. This report, made annually to the Securities & Exchange Commission, provides more information than is customarily shown in formal Annual Reports. The intention is to give shareholders a more comprehensive picture of the Company's operation. To avoid repetition, the formal financial statements and auditors' opinion, which are reproduced in their traditional position following the Report to Shareholders, have not been repeated in the 10-K section.

Cover Photograph: A gravimeter survey field team from Barringer Resources at work in the oil and gas rich Denver / Julesburg Basin of Colorado.

OFFICERS:

Dr. Anthony R. Barringer, President
Dr. D. Richard Clews, Executive Vice President
John H. Davies, Vice President
Dr. W. Timothy Meyer, Vice President
Dr. Robert D. Regan, Vice President
Kenneth H. Dalton, Controller
Robert J. Armstrong, Secretary

DIRECTORS:

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Dr. Anthony R. Barringer
Daniel R. Bereskin
Dr. D. Richard Clews
Brandon W. Sweitzer
Roger C. Wilson

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United States / Canada

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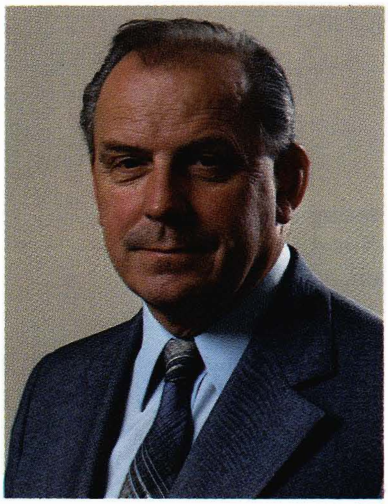
TRADEMARKS: INPUT, COTRAN, TIVAC, COSPEC, GASPEC, RADIOPHASE, E-PHASE, AIRTRACE, SURTRACE, LASERTRACE, VAPOURTRACE

Report to Shareholders



Dr. Anthony R. Barringer

The year 1980 was marked by considerable expansion of our Denver facilities and continuing investment by your Company in exploration for oil and gas and other, renewable, resources. This increased emphasis on exploration activities was the underlying reason for changing the name of the Company during the year from Barringer Research Inc. to Barringer Resources Inc. However, Barringer Research Limited, our wholly owned Canadian subsidiary, has retained its name since this company continues with its manufacturing, product development, and associated research operations.

Development of Technology in Oil and Gas Exploration

A major thrust continued throughout 1980 in the development and improvement of a range of oil and gas exploration techniques in which the Company is placing great emphasis. We have at all times maintained a prominent position in the development and marketing of mineral exploration systems and techniques, and our present policy is to adapt this expertise to the hydrocarbon field and to increasingly enter into oil and gas exploration activities. This has involved extensive testing of our systems and techniques over known oil and gas fields, followed recently by an evaluation program over more than 60 well sites which were scheduled for drilling by other companies during the months following our surveys. Results have been very satisfactory, and we consider this a stepping stone to our expansion into actual operations.

In the latter part of 1980, an important agreement was signed with Petro-Canada Explorations Limited, a branch of Canada's national oil company, which provides for the development of an airborne exploration system for oil known as TIVAC™. This system is an outgrowth of geophysical concepts developed by the Company in the mineral exploration field. Petro-Canada will earn a license after the expenditure of $3 million (Canadian), details of which are discussed in the Form 10-K in a latter section of this report. The program is already moving rapidly ahead, and it is hoped that the equipment being developed will provide a valuable complementary tool to the variety of techniques your Company has perfected in the past.

Oil and Gas Exploration Programs

Although your Company's actual involvement in operations in the hydrocarbon field has so far been limited due to the prior requirement of perfecting its new exploration methods, interests are already held in oil and gas leases on land covering over 480,000 acres, with a net acreage position by the Company of 199,000 acres. Although 90 percent of our net acreage interest is in gross wildcat areas, the remainder is either within or not far removed from productive regions. Drilling activities on some of the prospects that have been defined will commence during 1981.

Mining Exploration Activities

Paralleling the growth in oil exploration work, the Company has also been expanding its direct involvement in mineral exploration. Unlike the oil and gas activities, however, our mineral work is in the service area involving a number of mining company clients. A spin-off of our research efforts in oil and gas exploration has proven to be an asset in the mineral exploration field and is enabling us to use new deep exploration methods for certain classes of mineral deposits.

Geochemical and Environmental Laboratories

A new laboratory covering 6,000 square feet was established in Reno, Nevada in mid-1980. It has been equipped with high-quality fire assay facilities, as well as a full range of analytical instrumentation for the provision of geochemical services to the mining industry. Reno was chosen as it is presently the center of active gold and mineral exploration. This new laboratory complements our existing laboratories in Toronto, Calgary, Whitehorse, and Denver and is linked with these other facilities by computer which provides for over-all quality control and statistical services on analytical data. This new service is being well received by the industry.

In our Toronto laboratory, there has been an increasing involvement in environmental analyses which are proving to be a profitable line of business without the seasonal fluctuations of geochemical services to the mining industry. Further expansion in this area is also being planned.

Manufacturing and Product Development

Significant growth has been taking place in our manufacturing operations, and in the latter part of the year work was begun on the development of new electro-optical products for remote sensing and related applications. In order to expand our manufacturing operations in Toronto, an additional 13,000 square feet of manufacturing space and storage has been added.

Research and Development

In addition to the TIVAC program, your Company is continuing development on its COTRAN® system for mineral exploration and has achieved very satisfactory progress in this sophisticated computerized airborne technique for mineral exploration. Gradual transition into actual survey operations is anticipated during 1981 following incorporation of various improvements evolving out of test flights flown during 1980. This system is licensed for fixed wing operations to Geoterrex Limited of Ottawa, from which we will receive a line-mileage royalty substantially larger than that received for our existing INPUT® airborne exploration system.

Analysis of geological maps and well logs in the Denver hydrocarbon laboratory

Geological photo interpretation of aerophotographic mosaic.

Instrumentation Research and Development

Other developments in progress under funded contracts include the design and fabrication of an ambient mercury spectrometer and an atmospheric helium plasma emission detector.

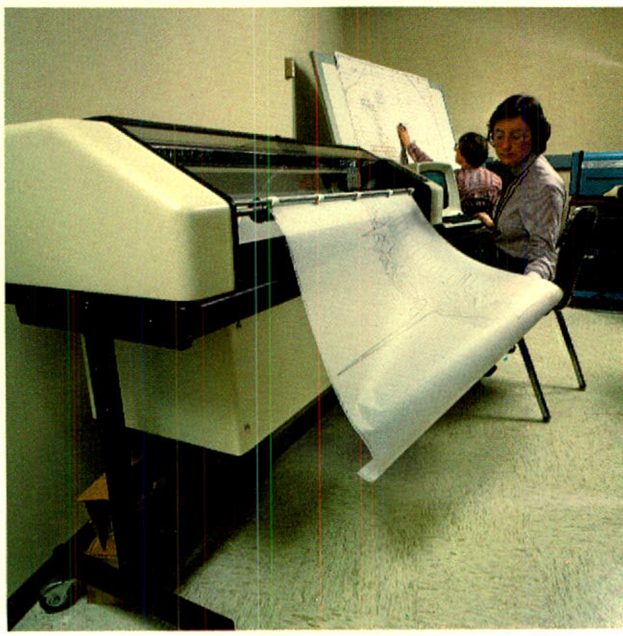
Proposed Public Offering of Convertible Subordinated Debentures

The Company has recently signed a letter of intent with respect to a proposed underwritten public offering of $5,000,000 of convertible subordinated debentures which is expected to occur in late June or early July. The proceeds of this offering will provide the funds for the expansion of our oil and gas exploration data processing facilities, the building of oil, gas and mineral exploration equipment for use in operations and licensing, the provision of seed money for investment in oil and gas exploration ventures and for additional working capital. The proceeds of the offering are regarded as an important requirement to expedite our future growth.

Summary

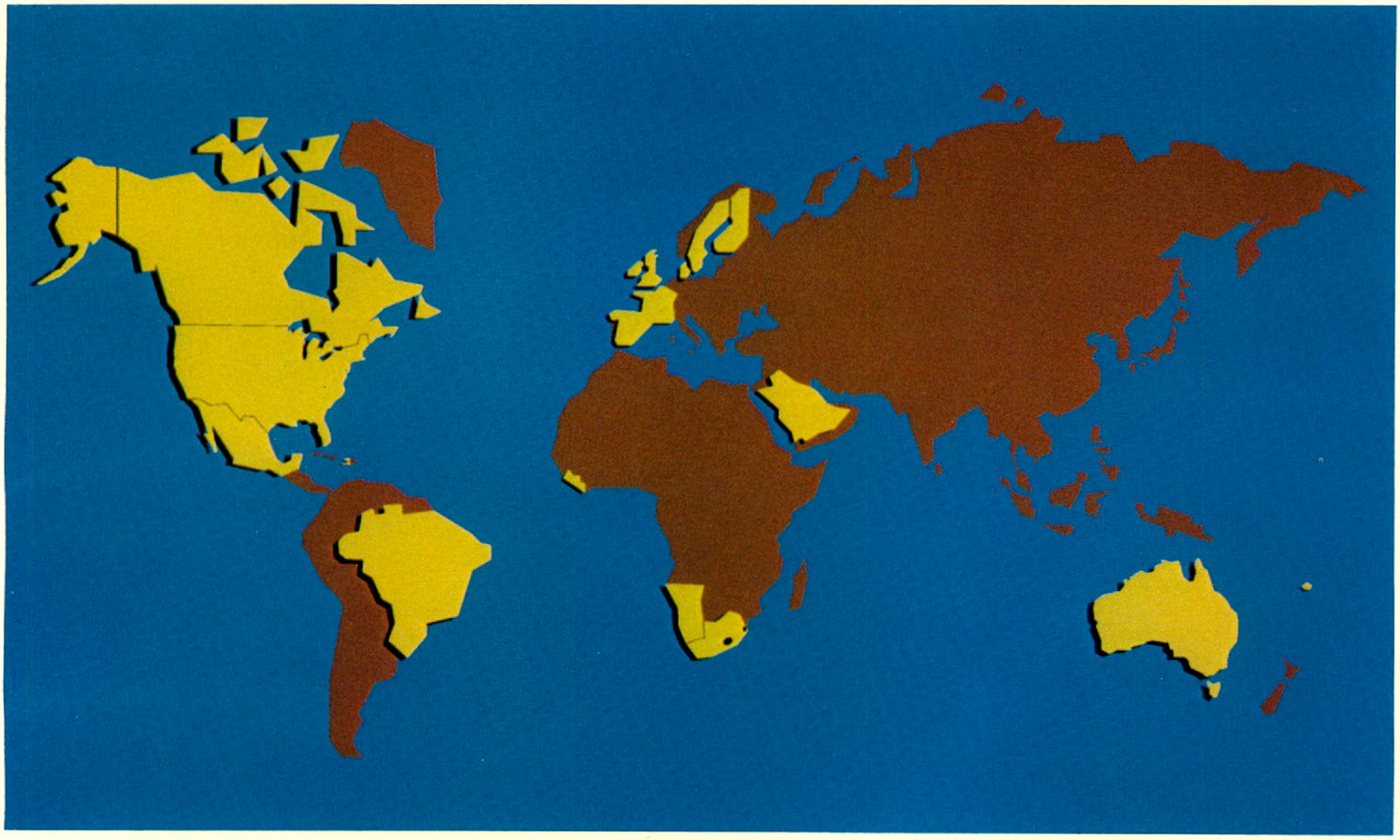
The year 1980 was one of heavy investment for the Company in its new oil and gas endeavors, but this is a move which should place us in a position to make a strong entry into this vital energy related area. At the present time, oil and gas exploration tends to be dominated by seismic techniques which, although effective, have limitations and are becoming increasingly costly. The field is open for the addition of new and innovative ideas to complement such existing approaches, and we naturally hope that we can achieve the success in oil and gas exploration that our methods have already established in the minerals field.

While we are focusing intensely in the oil and gas field, we are by no means allowing our already established areas to diminish, and are simultaneously placing an increased emphasis on the expansion of the more profitable aspects of these existing activities, such as manufacturing.



Data reduction/presentation facility in the Denver office.

BARRINGER RESOURCES



Areas of Activity

For over 20 years, Barringer Resources Inc. has participated in exploration programs in many parts of the world highlighted on the map. During 1980, oil and gas exploration was conducted primarily in North America with extensive surveys in Alberta and Montana. More localized activities took place in Wyoming, Colorado, Nebraska, New Mexico and Texas.

During the same period, mineral surveys were conducted in the Athabasca Basin of Canada, throughout the United States and in South Africa. The South African survey that used SURTRACE and multivariate analysis of the geochemical data, provided significant results. These results further demonstrated the advantages of this unique approach to mineral surveys.

U.S. based management: From left Dr. Robert D. Regan, Mr. Ronald R. Decker, Dr. Anthony R. Barringer and Dr. W. Timothy Meyer.

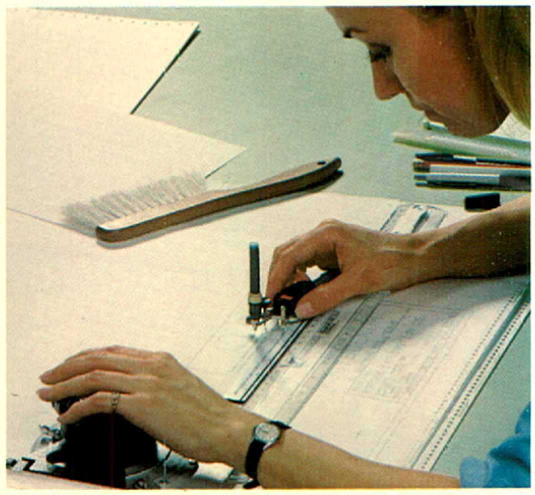
Canada based management: From left Mr. John H. Davies, Dr. D. Richard Clews, and Mr. Kenneth H. Dalton.

Barringer Technology at Work

"Sniffing," i.e. taking surface samples for geochemical analyses.

Close-up view of a gas chromatograph in the Denver laboratory.

Preparation of final survey results.



Atomic absorption analysis for trace metals.

Fusion of geochemical samples prior to analysis.

Hand Held Ratioing Radiometer, a new commercial product designed for the spectral identification and classification of clay minerals and the monitoring of vegetation stress.

Geochemical sample processing at the Denver analytical laboratory.

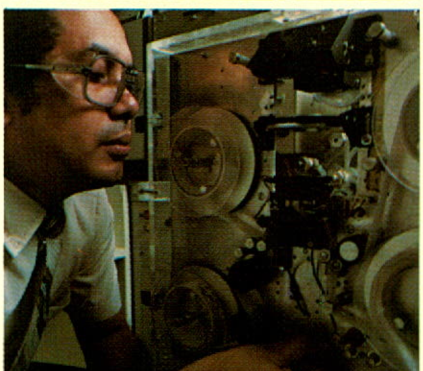
REFSPEC, a new type of spectrometer for measuring the detailed optical characteristics of surface soils and vegetation.

Utilizing the gas chromatograph for sample analysis

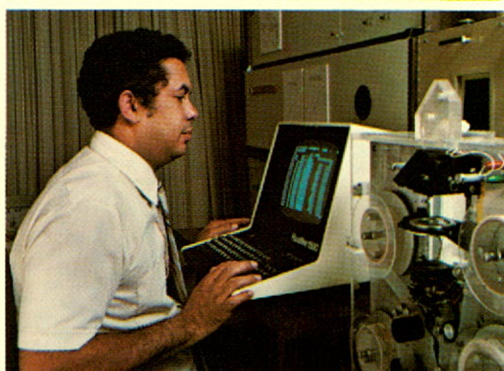
Measuring orientation of fractures in an exposed rock surface.

Analysis and interpretation of geological map data.

Measuring the Earth's magnetic field during a field survey.



Loading sample tapes for analysis on the LASERTRACE System.



LASERTRACE —A System that automatically performs 25 elemental analyses of 1,000 samples during an eight hour period.

Barringer Resources Inc.

CONSOLIDATED BALANCE SHEET

As at December 31, 1980 and 1979

ASSETS

	1980	1979
Current Assets		
Cash	$ 6,493	$ 19,486
Accounts receivable –		
Trade, less allowance for doubtful accounts, 1980, $36,096 – 1979, $15,632	1,107,789	1,145,911
Inventories	911,930	729,558
Deposits, advances and prepaid expenses	80,319	33,482
	2,106,531	1,928,437
Investments	861,034	32,742
Fixed Assets – at cost	3,118,561	2,519,024
Less: Accumulated depreciation and amortization	1,813,290	1,558,647
	1,305,271	960,377
Assets under capital leases	201,774	201,774
Less: Accumulated amortization	32,380	7,631
	169,394	194,143
Patents and trademarks – at cost	261,812	250,055
Less: Accumulated amortization	81,745	70,329
	180,067	179,726
Other Assets		
Interest in oil and gas properties – adhering to using full cost accounting basis	213,119	–
Excess of cost over net assets of laboratory acquired, less amortization	8,679	–
Cash surrender value of life insurance policies	59,177	50,580
	280,975	50,580
	$4,903,272	$3,346,005

LIABILITIES

	1980	1979
Current Liabilities		
Bank indebtedness	$ 478,171	$ 422,407
Current portion of long-term loan	–	41,667
Current portion of obligations under capital leases	28,530	55,993
Accounts payable	409,500	349,936
Accrued liabilities	210,437	93,582
Excess of billings over selling price of contracts in progress	112,270	54,909
	1,238,908	1,018,494
Deferred Taxes	206,083	–
Long-Term Liabilities		
Notes payable, non interest bearing, maturing serially from 1982 to 1984	20,878	–
Long-term loan, less current portion	–	69,444
Obligations under capital leases less current portion	83,475	112,672
	1,549,344	1,200,610

SHAREHOLDERS' EQUITY

	1980	1979
Common stock		
Authorized –		
10,000,000 shares of common stock of 1¢ par value each (1979 – 2,000,000 shares)		
Issued and fully paid –		
2,141,464 (1979 – 988,400 shares)	21,415	9,884
Paid-in surplus	2,549,519	2,034,934
Retained earnings	882,395	208,690
	3,453,329	2,253,508
Less: Common stock in treasury – at cost, 197,000 shares (1979 – 98,600 shares)	20,401	20,421
Due from shareholder	79,000	79,000
Deferred compensation	–	8,692
	99,401	108,113
	3,353,928	2,145,395
	$4,903,272	$3,346,005

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS (DEFICIT)

For the years ended December 31, 1980, 1979 and 1978

	1980	1979	1978
Revenue	$5,868,393	$4,956,784	$3,880,108
Cost and expenses			
Cost of goods sold	3,854,323	3,232,135	2,449,771
General and administrative	1,186,350	946,029	857,160
Research and development	475,758	273,604	395,780
Exploration expenses	142,108	91,482	–
	5,658,539	4,543,250	3,702,711
Operating income	209,854	413,534	177,397
Other expenses (income)			
Gain on sale of interest in gold property	(824,333)	–	–
Gain on sale of investment in subsidiary	–	–	(16,865)
Interest	130,296	53,576	5,917
Other	14,117	(99,820)	26,495
	(679,920)	(46,244)	15,547
Earnings before income taxes and extraordinary item	889,774	459,778	161,850
Income tax provision – current	219,917	308,000	125,000
– deferred	206,083	–	–
	426,000	308,000	125,000
Earnings before extraordinary item	463,774	151,778	36,850
Extraordinary item			
Benefit of tax losses and timing differences brought forward	219,917	308,000	125,000
Net earnings for the year	683,691	459,778	161,850
Retained earnings (deficit) beginning of year	208,690	(251,088)	(412,938)
Retained earnings (deficit) prior to transfer for stock-split	$ 892,381	$ 208,690	$ (251,088)
Transfer for stock-split effected in form of dividend	9,986	–	–
Retained earnings (deficit) end of year	$ 882,395	$ 208,690	$ (251,088)
Weighted average number of shares outstanding	1,930,025	1,812,034	1,792,868

	1980	1979	1978
Earnings per share			
Earnings before extraordinary item	$0.24	$0.08	$0.02
Extraordinary item	0.11	0.17	0.07
Net earnings for the year	$0.35	$0.25	$0.09

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

For the years ended December 31, 1980, 1979 and 1978

	1980	1979	1978
Funds provided			
From operations –			
Earnings before extraordinary item	$ 463,774	$ 151,778	$ 36,850
Add items not involving funds:			
Benefit of tax losses and timing differences brought forward	219,917	308,000	125,000
Depreciation and amortization	294,038	214,617	156,880
Amortization of deferred compensation	8,692	11,587	11,587
Amortization of goodwill	4,363	–	–
Loss on sale of fixed assets	593	(8,236)	–
Gain on sale of investments	–	(9,994)	–
Gain on sale of interest in gold property	(824,333)	–	–
Deferred income taxes	206,083	–	–
	373,127	667,752	330,317
Issue of shares of treasury stock	20	–	–
Issue of shares of common stock	516,130	5,000	5,000
Net proceeds on disposal of fixed assets	856	14,668	–
Net financing on asset purchase	20,878	–	–
Net financing on capital leases	–	112,672	–
Net proceeds on sale of investments	–	22,899	–
Net proceeds from long-term loan issue	–	125,000	–
	911,011	947,991	335,317
Funds applied			
Acquisition of oil and gas properties	213,119	–	–
Acquisition of leased property under capital leases	–	201,774	–
Reduction in long-term loan	69,444	55,556	–
Reduction in long-term lease obligation	29,197	–	–
Excess of cost over net assets of laboratory acquired	13,042	–	–
Additions to patents and trademarks	11,757	16,177	19,117
Purchases of fixed assets	604,216	478,669	430,684
Purchases of investments	3,959	–	301
Increase in cash surrender value of life insurance	8,597	8,200	5,583
	953,331	760,376	455,685
Increase (Decrease) in funds	$ (42,320)	$ 187,615	$ (120,368)
Changes in components of working capital			
Working capital – beginning of year	$ 909,943	$ 722,328	$ 842,696
Increase (decrease) in cash	(12,993)	12,911	(28,810)
Increase in inventories	182,372	215,062	140,890
Increase (decrease) in receivables	(38,122)	435,738	(37,077)
Increase (decrease) in other current assets	46,837	(1,822)	(19,253)
Increase in bank indebtedness	(55,764)	(210,308)	(212,099)
(Increase) decrease in other current liabilities	(206,317)	(166,306)	35,981
(Increase) decrease in current portion of long-term debt	41,667	(97,660)	–
Increase (decrease) in working capital	(42,320)	187,615	(120,368)
Working capital – end of year	$ 867,623	$ 909,943	$ 722,328
Funds represented by:			
Current assets	$2,106,531	$1,928,437	$1,266,548
Current liabilities	1,238,908	1,018,494	544,220
	$ 867,623	$ 909,943	$ 722,328

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

For the years ended December 31, 1980, 1979 and 1978

	Common Shares	Amount	Additional Paid in Capital	Retained Earnings (Deficit)
Balance at January 1, 1978	979,400	$ 9,794	$2,025,024	$ (412,938)
Common stock issued through exercise of stock option	5,000	50	4,950	
Net Earnings				161,850
Balance at December 31, 1978	984,400	9,844	2,029,974	(251,088)
Common stock issued through exercise of stock options	4,000	40	4,960	
Net Earnings				459,778
Balance at December 31, 1979	988,400	9,884	2,034,934	208,690
Common stock issued through exercise of stock options	10,200	102	10,098	
Stock split effected in form of stock dividend	998,600	9,986	–	(9,986)
Common stock issued through exercise of stock options	42,400	424	45,526	
Common stock issued in consideration of debt	2,064	21	9,979	
Common stock issued for cash	100,000	1,000	449,000	
Common stock issued from treasury	(200)	(2)	(18)	
Net Earnings				683,691
Balance at December 31, 1980	2,141,464	$ 21,415	$2,549,519	$ 882,395

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation

The accompanying consolidated financial statements comprise the accounts of the Company and its active subsidiary companies. All intercompany transactions have been eliminated.

(b) Principles of translation

The accounts of the foreign subsidiaries have been translated into United States dollars on the following bases:

(i) Income and expenses (other than depreciation and amortization) – at the average rate for the year.

(ii) Depreciation and amortization – at historic rates applicable to the related asset accounts.

(iii) Current assets and liabilities – at year-end rates.

(iv) Other assets – at historic rates.

(v) Other liabilities – at year-end rates.

A gain on translation of $7,760 has been reflected in earnings.
Year ended December 31, 1979, gain $79,865 – 1978, loss $26,495

(c) Inventory policies and depreciation

See notes 5 and 6 respectively.

(d) Amortization of intangibles

Patents and trademarks are amortized over seventeen years which approximates their useful lives. Amortization amounted to $11,416.
Year ended December 31, 1979, $10,153 – 1978, $9,474.

(e) Oil and Gas Properties

The Company has adopted the "full cost" method of accounting, whereby all costs associated with oil and gas property acquisitions, exploration and development activities are capitalized.

In terms of Regulation S-X, cost centers for the purposes of accounting for oil and gas activities are established on a country-by-country basis.

Costs capitalized within a cost center will be amortized on the unit-of-production basis using proved oil and gas reserves. Costs capitalized are limited to a ceiling based on the present value of future net revenues from the estimated production of proved oil and gas reserves.

As at December 31, 1980, the Company was in the early stages of exploration and consequently had no proved reserves. All relevent costs have therefore been capitalized and not amortized.

(f) Investments

Investments are carried at the lower of cost or cost less amounts written off. The Company accounts for its investment in Barringer Oil and Gas Ltd. and the U.S. partnership on a cost basis as the investments are immaterial and the Company has no financial responsibilities to either venture.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(2) INVESTMENTS

Investments are summarized as follows:

	Market Value December 31 1980	Book Value December 31 1980	Book Value December 31 1979
Royex Sturgex Mining Limited – 487,265 Common Shares	$2,070,900	$ 833,334	$ 1
3.6% Interest in Cullaton Lake Gold Property	–	–	9,000
Petro Minerals Inc. – 40,000 Common Shares	$ 60,000	10,000	10,000
H.S.A. Reactors Limited – 106,154 Common Shares	No quoted value	12,392	12,392
Other Investments	No quoted value	5,308	1,349
	$2,130,900	$ 861,034	$ 32,742

Acquisitions

At December 31, 1979, a subsidiary owned 237,265 shares (14%) in Royex Sturgex Mining Limited (Royex) which is carried on the balance sheet at a written down value. By agreement dated October 23, 1980, the subsidiary acquired an additional 250,000 shares in Royex (valued at the then market price of $4.00 Canadian per share) in exchange for a 3.6% direct interest in the Cullaton Lake gold orebody and increased its interest in Royex to 25%. Royex is traded over-the-counter (unlisted) in Toronto. Subsequent to December 31, 1980, Royex completed a sale of 750,000 shares of common stock which diluted the subsidiary's interest to approximately 18%.

3. FOREIGN OPERATIONS

Amounts relating to foreign operations included in the consolidated financial statements are as follows:

	December 31 1980	December 31 1979	December 31 1978
Working capital	$ 694,503	$ 787,834	$ 651,407
Investments	851,034	22,742	35,647
Fixed assets	829,688	617,314	560,765
Assets under capital leases	135,057	151,222	–
Other assets	247,923	230,306	216,082
Net foreign assets	$2,758,205	$1,809,418	$1,463,901
The Company's net foreign assets are primarily located in Canada.			
Net earnings from foreign operations	$1,277,834	$ 653,289	$ 309,357
Less losses on U.S. domestic operations	388,060	193,511	147,507
Net earnings	$ 889,774	$ 459,778	$ 161,850

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. INFORMATION CONCERNING THE COMPANY'S PRINCIPAL ACTIVITIES

The Company engages in two principal activities as disclosed in the Form 10K which accompanies these financial statements.

A summary of the Company's operations by principal activity for the year ended December 31, 1980 follows:

Principal Activity	Revenues	Operating Income (Loss)	Identifiable Assets	Depreciation and Amortization Expense	Capital Expenditures
Research, development and instrument manufacture	$2,652,516	$ 314,968	$1,935,285	$ 76,867	$ 206,653
Exploration ventures, analytical services and licensing	3,215,877	(105,114)	1,739,166	217,171	397,563
General corporate	—	—	1,228,821	—	—
Consolidated Totals	$5,868,393	$ 209,854	$4,903,272	$ 294,038	$ 604,216

A summary of the Company's operations by principal activity for the year ended December 31, 1979 follows:

Principal Activity	Revenues	Operating Income	Identifiable Assets	Depreciation and Amortization Expense	Capital Expenditures
Research, development and instrument manufacture	$1,641,054	$ 130,403	$1,022,399	$ 28,691	$ 96,506
Exploration ventures, analytical services and licensing	3,315,730	283,131	2,187,316	175,773	382,163
General corporate	—	—	136,290	10,153	—
Consolidated Totals	$4,956,784	$ 413,534	$3,346,005	$ 214,617	$ 478,669

A summary of the Company's operations by principal activity for the year ended December 31, 1978 follows:

Principal Activity	Revenues	Operating Income (Loss)	Identifiable Assets	Depreciation and Amortization Expense	Capital Expenditures
Research, development and instrument manufacture	$1,511,027	$ 197,751	$ 829,783	$ 23,470	$ 261,014
Exploration ventures, analytical services and licensing	2,369,081	(20,354)	1,253,561	123,936	169,670
General corporate	—	—	129,906	9,474	—
Consolidated Totals	$3,880,108	$ 177,397	$2,213,250	$ 156,880	$ 430,684

Identifiable assets are those assets used in the operations of each activity. General corporate assets are cash, prepaid expenses, investments and other assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. INFORMATION CONCERNING THE COMPANY'S PRINCIPAL ACTIVITIES (continued)

A summary of the Company's operations by geographic areas for the year ended December 31, 1980 follows:

Geographic Area	Revenues	Transfers Between Areas	Total Revenues	Operating Income (Loss)	Identifiable Assets
United States	$1,544,580	$ 176,669	$1,721,249	$ (275,178)	$1,653,221
Canada	4,277,669	(543,330)	3,734,339	438,144	3,226,640
Europe	46,144	114,603	160,747	17,253	23,411
Other	–	252,058	252,058	29,635	–
Consolidated Totals	$5,868,393	–	$5,868,393	$ 209,854	$4,903,272

A summary of the Company's operations by geographic areas for the year ended December 31, 1979 follows:

Geographic Area	Revenues	Transfers Between Areas	Total Revenues	Operating Income	Identifiable Assets
United States	$1,334,126	$ (27,059)	$1,307,067	$ 10,372	$ 908,128
Canada	3,622,658	(546,216)	3,076,442	359,063	2,437,877
Europe	–	219,180	219,180	18,651	–
Other	–	354,095	354,095	25,448	–
Consolidated Totals	$4,956,784	–	$4,956,784	$ 413,534	$3,346,005

A summary of the Company's operations by geographic areas for the year ended December 31, 1978 follows:

Geographic Area	Revenues	Transfers Between Areas	Total Revenues	Operating Income (Loss)	Identifiable Assets
United States	$ 660,129	$ 430,545	$1,090,674	$ (74,746)	$ 253,003
Canada	3,219,979	(814,103)	2,405,876	222,453	1,960,247
Europe	–	205,315	205,315	18,064	–
Other	–	178,243	178,243	11,626	–
Consolidated Totals	$3,880,108	–	$3,880,108	$ 177,397	$2,213,250

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. INVENTORIES

The major categories of inventories are as follows:

	December 31 1980	December 31 1979
Finished goods	$ 149,672	$ 76,064
Work in progress	243,946	126,372
Materials and supplies	41,355	35,857
Selling price of contracts in progress, less billings	476,957	491,265
	$ 911,930	$ 729,558

Finished goods and work in progress inventories are stated at the lower of average cost and net realizable value. Materials and supplies are stated at their actual cost. The percentage-of-completion method of accruing profit on fixed price contracts in progress is used, with anticipated losses being provided for in full.

6. FIXED ASSETS

The major categories of fixed assets are as follows:

	December 31 1980	December 31 1979
Office furniture and equipment	$ 232,511	$ 189,679
Plant, machinery and exploration equipment	1,836,900	1,374,505
Equipment for lease	581,568	647,273
Leasehold improvements	467,582	307,567
	3,118,561	2,519,024
Accumulated depreciation and amortization	1,813,290	1,558,647
Net book value	$1,305,271	$ 960,377

Depreciation is provided on the straight-line basis over the estimated useful lives of the assets, principally four to ten years. Leasehold improvements are being amortized over the terms of the Company's leases, principally five to twenty years. Depreciation and amortization for the year amounted to $257,873.

Year ended December 31, 1979, $196,833 – 1978, $147,482.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. SHORT-TERM DEBT

The Company and its consolidated subsidiaries have short-term lines of credit aggregating to $1,120,000 from various banks. As at December 31, 1980 Barringer had $478,000 outstanding under these short-term lines of credit and had available unused credit of $642,000. The arrangements have various termination dates and are reviewed annually for renewal.

The bank indebtedness is collateralized by a general assignment of accounts receivable for Barringer Research Limited and Barringer Magenta Limited, assignment of a life insurance policy on the life of A. R. Barringer and a floating charge debenture.

8. LONG-TERM LOAN

Unsecured loan bearing interest at a rate of 2% above the Central Bank of Denver base rate floating, repaid in full in December 1980.

9. LEASED PROPERTY UNDER CAPITAL LEASES

The categories of leased property under capital leases are as follows:

	December 31 1980	December 31 1979
At cost –		
Office equipment	$ 35,033	$ 35,033
Plant and machinery	166,741	166,741
	201,774	201,774
Accumulated amortization	32,380	7,631
	$ 169,394	$ 194,143

Amortization is provided on the straight-line basis over the assets' estimated useful lives, principally five to ten years. Amortization for the year amounted to $24,749.

Future minimum lease payments under capital leases are as follows:

Year ending December 31,	1981	$ 37,890
	1982	37,890
	1983	36,631
	1984	31,308
Minimum lease payments		143,719
Less: Amount representing interest		31,714
Present value of minimum lease payments – December 31, 1980		$ 112,005

10. SHARES OF COMMON STOCK RESERVED FOR ISSUANCE ARE AS FOLLOWS:

	December 31 1980	December 31 1979
For stock options –		
Options outstanding	271,600	124,400
Available for granting future options	78,800	138,800
	350,400	263,200
For 3-year Warrants	100,000	–
(refer to note 18)	450,400	263,200

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. STOCK OPTIONS

(a) 1968 and 1970 qualified stock option plan

No options were outstanding as at December 31, 1979 or 1980. As no options can be granted under these plans after the expiration of ten years from the adoption of the plan, both plans have now expired and no further options can be granted.

(b) 1972 unqualified stock option plan

In 1972 the Company adopted an unqualified stock option plan covering 190,000 shares of common stock of the Company. Options may be granted to directors, officers and other key employees of the Company or its subsidiaries at a price not less than the market value of the common stock at the time of grant of the option. These options are exercisable at varying times from date of grant, provided the optionee continues as a director or remains in the employ of the Company or subsidiary, and expire five years from the date of the grant. The Company has first right of refusal to reacquire shares purchased under this option plan at a formula price equivalent to 75% of quoted value of the shares. Information with respect to this stock option plan is summarized as follows:

	Shares	Amount
Options granted subsequent to 1972 and outstanding at December 31, 1978	91,800	$ 61,550
Changes during 1979 –		
Options granted at market value	16,000	17,500
Options exercised	(8,000)	(5,000)
Options cancelled and expired	(19,400)	(14,450)
Options outstanding at December 31, 1979	80,400	$ 59,600
Changes during 1980		
Options granted at market value	93,000	496,375
Options exercised	(38,800)	(23,400)
Options cancelled and expired	(2,000)	(1,500)
Options outstanding as at December 31, 1980	132,600	$531,075

(c) 1980 unqualified stock option plan

In 1980 the Company adopted an unqualified stock option plan covering 150,000 shares of common stock of the Company. Options may be granted to directors, officers and other key employees of the Company or its subsidiaries at a price not less than the market value of the common stock at the time of grant of the option. These options are exercisable two years from date of grant, provided the optionee continues as a director or remains in the employ of the Company or subsidiary, and expire five years from the date of the grant. The Company has first right of refusal to reacquire shares purchased under this option plan at a formula price equivalent to 75% of quoted value of the shares. The shares subject to this plan will be registered on or before the expiry of two years from the first grant of an option under the Plan, such registration to be kept in good standing annually as may be required. Information with respect to this stock option plan is summarized as follows:

	Shares	Amount
Changes during 1980		
Options granted at market value	124,500	$531,750
Options cancelled and expired	(5,500)	(23,375)
Options outstanding as at December 31, 1980	119,000	$508,375

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(d) Other stock options

The Company also grants stock options to consultants as authorized by the Board of Directors from shares available under existing plans. These options were exercisable at varying times from date of grant and expire five years from date of grant.

	Shares	Amount
Options outstanding as at December 31, 1978	24,000	$ 32,750
Changes during 1979 –		
Options granted at market value	20,000	22,500
Options outstanding as at December 31, 1979	44,000	$ 55,250
Changes during 1980 –		
Options exercised	(24,000)	$ (32,750)
Options outstanding as at December 31, 1980	20,000	22,500

The number of shares and market values shown in the above note reflect the stock-split referred to in note 18.

12. EXCESS OF COST OVER NET ASSETS OF LABORATORY ACQUIRED

This amount represents the excess cost over net assets of a laboratory acquired during the year. The amount will be amortized over its useful life of 3 years, the period over which the previous business name will be phased out. Amortization for the year was $4,363.

13. INCOME TAXES

(a) Canadian income taxes

As at December 31, 1980, the Canadian subsidiaries have recorded in the accounts depreciation and amortization and other miscellaneous write-offs totalling $1,154,000 in excess of that claimed for tax purposes.
Year ended December 31, 1979, $620,000 – 1978, $160,000.

A subsidiary has certain timing differences arising from exploration expenditures that were available to reduce taxable income in future years. The amount of expenses is approximately $238,000.
Year ended December 31, 1979, $477,000 – 1978, $1,022,000.

(b) U.S. income taxes

There are no U.S. income taxes payable for the three years ended December 31, 1980. The Company has losses for income tax purposes of approximately $808,000 that can be used to reduce taxable U.S. income in future years. These losses will expire from 1983 to 1987.

The total losses available for carry forward were:
Year ended December 31, 1979, $425,000 – 1978, $312,000.

(c) Deferred income taxes

As at December 31, 1980, a Canadian subsidiary had recorded $206,083 of deferred income taxes. These taxes will only be payable and become current in the event that the subsidiary sells its 250,000 shares of common stock of Royex Sturgex Mining Limited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. INCOME TAXES (continued)

(d) Reconciliation of income taxes

A reconciliation of income taxes at the United States statutory rates (in thousands of dollars and as a percentage of pre-tax income) to the effective tax rate follows:

	1980		1979		1978	
	Dollars	**Rate**	**Dollars**	**Rate**	**Dollars**	**Rate**
Income taxes computed at the United States Statutory rate	$409,000	46%	$211,000	46%	$ 78,000	48%
Losses with no tax benefit	199,000	22	65,000	14	58,000	36
Consolidated Subsidiaries Outside the United States:						
Canadian Inventory Allowance	(9,000)	(1)	(7,000)	(1)	(5,000)	(3)
Non-Taxable Portion of Capital Gains	(212,000)	(24)	(3,000)	(1)	—	—
Consolidation Eliminations with no tax effect	(1,000)	—	—	—	(25,000)	(15)
Exchange Losses not Deductible	30,000	3	14,000	3	18,000	11
Effective tax rate differential on earnings	36,000	4	18,000	4	1,000	—
Other — Net	(26,000)	(2)	10,000	2	—	—
Income Taxes	$426,000	48%	$308,000	67%	$125,000	77%

14. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Contingent liabilities

(i) A subsidiary has an obligation to repay the Canadian government $113,460 for funding the development of certain instruments based on a fixed rate per unit sold. A total of $16,332 has been repaid to date.

Year ended December 31, 1979, $15,263 — 1978, $14,268.

(ii) An action has commenced against a subsidiary for damages for wrongful dismissal, or for damages for breach of contract of employment. It is not possible to give an estimate of the amount for which this action may be settled. The subsidiary made a payment at the time of question which it feels covers very reasonably any damages suffered by the other party. The Company intends to defend this action vigorously.

(iii) A subsidiary and a third party have entered into an agreement relating to the development of one of its new exploration systems. In return for current funding, the Company has undertaken to further develop this system and lease it to an airborne survey company when operational. The third party shall receive a share of the Company's license fees from the system.

To date the Company has received $215,676 of which $19,270 was taken into income in 1980, $66,406 in 1979 and $130,000 in 1978 to partially meet the funding to date of the development work on the system.

The terms of the agreement provide that under certain circumstances the Company has the option of treating as a loan (to be repaid at the rate of $85,000 per annum) any such funds received up to a maximum of $420,000 in consideration for the cancellation of the licensing agreement and the return of any payments made thereunder.

(iv) In December 1979 a Canadian subsidiary acquired 50% of a Calgary based Alberta corporation, Barringer Oil and Gas Ltd.

Similarly, a partnership was formed and financed in the United States between financial investors and Barringer Oil and Gas Inc., a wholly owned subsidiary.

Under terms of the agreements, the Company was to receive $1,350,000 over a period of three years for exclusive right of its proprietary exploration techniques, of which $350,000 has been paid to date.

These agreements have now been re-negotiated and the exclusivity is no longer applicable. This will allow the Company to use its techniques on its own programs. Override provisions for oil and gas discoveries by the companies are incorporated into the new agreements. In consideration of the elimination of the exclusive commitment provided for in the original agreements, the balance of the fees to be paid under the initial agreement have been eliminated under the revised arrangements.

The Company has also agreed to sell to the Partners an aggregate of 100,000 shares of Common Stock of the Company at a price of $4.50 per share and issue warrants to the Partners to purchase an additional 100,000 shares of Common Stock of the Company, which warrants are exercisable over a three year period ending December 1, 1983 at a purchase price of $10 per share.

(b) Rental expense and lease commitments

(i) Rental and lease expenses amounted to $253,396.
Expense for the year ended December 31, 1979, $91,483 – 1978, $93,110.

(ii) The aggregate future minimum lease commitments for all operating leases on rented premises is $992,300 and is payable as follows:
1981, $191,400 – 1982, $184,600 – 1983, $178,200 – 1984, $136,300 – 1985, $73,800 – Thereafter $228,000.

(iii) The aggregate lease commitment on equipment and automobile rentals over the next 3 years is $143,760.

15. PENSION PLANS

In 1972, a subsidiary converted its insured pension plan for senior employees to a plan that provides retirement benefits for any employee, equal to 2% of annual salary for each year of employment under the plan. The aggregate cost of the plan was $32,775. Pension costs are funded, and there was no unfunded liability as at December 31, 1980.

The aggregate cost of the plan for the year ended December 31, 1979, $20,141 – 1978, $27,868.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. EARNINGS PER SHARE

Earnings per share are based on the weighted average number of shares outstanding, with shares issuable upon exercise of options where applicable, during a year being included using the treasury stock method (refer to note 18).

17. DUE FROM OFFICER/SHAREHOLDER

Deferred compensation represented the unamortized portion of compensation computed as the difference between the quoted market price of unregistered shares issued to an officer/shareholder and the fair market value determined by the Board of Directors including discounting of the related promissory note at an imputed interest rate of 8½% rather than the 4% indicated rate.

The total amount of deferred compensation of $60,830 so determined was amortized over the term of the shareholder's employment agreement. The amortization for 1980 was $8,692.

Amortization for the year ended December 31, 1979, $11,587 – 1978, $11,587.

18. COMMON STOCK

The corporation declared a stock-split effected in the form of a dividend upon the common stock of the corporation to stockholders of record at the close of business on February 25, 1980 at the rate of one share for each share so held of record.

The number of shares pertaining to common stock, stock option plans, and the calculation of earnings per share have been restated to give the effect to the above mentioned stock split.

The Company increased the authorized common shares from two million to ten million in 1980.

19. SUBSEQUENT EVENT

The Company has signed a letter of intent with an underwriting firm for a new stock offering. Under the letter of intent, it is proposed to issue in early 1981 an additional 500,000 shares of Barringer Resources common stock on a firm underwriting basis. The Company will receive the net proceeds of this offering.

20. COMPARATIVE FIGURES

Certain of the December 31, 1979 and 1978 figures have been reclassified to conform to the December 31, 1980 financial statement presentation.

OPINION OF THE INDEPENDENT PUBLIC ACCOUNTANTS

Coopers
&Lybrand

chartered accountants

To the Shareholders,
Barringer Resources Inc.

We have examined the consolidated balance sheet of Barringer Resources Inc. (formerly Barringer Research Inc.) as at December 31, 1980 and 1979, and the related consolidated statements of earnings and retained earnings (deficit), shareholders' equity and changes in financial position for each of the three years in the period ended December 31, 1980. Our examinations were made in accordance with generally accepted auditing standards and, accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the financial position of Barringer Resources Inc. as at December 31, 1980 and 1979, and the results of its operations and the changes in its financial position for each of the three years in the period ended December 31, 1980, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations also comprehended the schedules listed in the Index at Item 11(b). In our opinion, such schedules, when considered in relation to the basic financial statements, present fairly in all material respects to the information shown therein.

Coopers & Lybrand

CHARTERED ACCOUNTANTS

Toronto, Ontario, Canada
February 27, 1981.

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1980 **Commission File No. 0-3207**

Barringer Resources Inc.

(Exact name of registrant as specified in its charter)

Delaware	**84–072–0473**
(State or other jurisdiction of incorporation of organization)	*(IRS Employer Identification Number)*
304 Carlingview Drive, Metropolitan Toronto, Rexdale, Ontario, Canada M9W 5G2	**1626 Cole Boulevard, Metropolitan Denver, Golden, Colorado, U.S.A. 80401**
(Address of principal executive offices)	*(Address of principal U.S. office)*

Registrant's telephone number, including area code:
(416) 675-3870 **(303) 232-8811**

Securities registered pursuant to Section 12 (b) of the Act:
NONE

Securities registered pursuant to Section 12 (g) of the Act:
Common Stock, $ .01 par value, Barringer Resources Inc.
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ✓ No______

The aggregate market value of the voting stock held by non-affiliates of the Registrant as at March 23, 1981 – $6,716,500.

Number of shares outstanding as at March 23, 1981 – 1,946,464 of Common Stock $.01 par value.

Documents Incorporated by Reference

The Annual Report to stockholders of Barringer Resources Inc. (the "Company") for the year ended December 31, 1980 (the "Annual Report") and the Proxy Statement dated March 31, 1981 to be used in connection with the 1981 Annual Meeting of Stockholders (the "Proxy Statement") are incorporated herein by reference in Part I Item 4 and Part III Items 8, 9 and 10.

BARRINGER RESOURCES INC.
FORM 10-K

PART I

ITEM 1. DESCRIPTION OF BUSINESS

(a) DEVELOPMENT OF BUSINESS SINCE JANUARY 1, 1980

The Company is committed to establishing a position in oil and gas exploration in its own right and generating revenue from oil and gas production. The Company has devoted substantial efforts to development of its new exploration techniques, and a limited number of ventures are underway.

Petro-Canada – During the year, an agreement was signed with Petro-Canada to further develop our TIVAC® system for oil and gas exploration. Under the agreement, Petro-Canada must contribute up to $3 million (Canadian) to earn certain use of the system. See Petro-Canada agreement herein.

Barringer Oil & Gas (BOG) – The 1979 agreements have been re-negotiated whereby the Company is no longer tied exclusively to the BOG partners for non-airborne exploration techniques. Override provisions for oil and gas discoveries are incorporated in the new agreements. See BOG agreement herein.

During the year, the Company formed a U.K. based wholly-owned subsidiary, Barringer Oil Limited, to prepare for exploration and future financing in the British Isles.

Royex Sturgex Mining Limited – In addition to its oil and gas endeavours, the Company acquired during the year an additional 250,000 shares of Royex Sturgex Mining Limited in exchange for the Company's 3.6% direct interest in the Cullaton Lake orebody. See Royex Sturgex agreement herein.

In the early part of the year, the Company received stockholder approval to change its name to Barringer Resources Inc. and to increase its authorized capital from two million to ten million shares of common stock.

(b) (d) Reference is made to note 4 of the accompanying financial statements.

(c) NARRATIVE DESCRIPTION OF BUSINESS

The Company was founded initially to develop geophysical and geochemical techniques and instrumentation for the earth sciences and, in particular, for mineral exploıation. It has been the policy of the Company to obtain outside funding for research whenever possible, but at all times to direct its research toward end products that lead to patented and proprietary systems or services which will be of continuing value to the Company. The Company has, whenever possible, sought to maintain proprietary rights in the results of its research, even when such research has been funded by third parties.

The Company, through its Denver, Colorado, operation and its wholly-owned subsidiaries, Barringer Research Limited and Barringer Magenta Limited both Ontario corporations, and Barringer Oil and Gas Inc., a Colorado corporation, currently engages in two principal areas of activity: (i) exploration and (ii) research and development ("R&D") and instrument manufacture.

Exploration is comprised of several related activities; (a) oil and gas exploration ventures in which the Company participates in any production, (b) development of oil and gas and mineral exploration technology through research, (c) management services to the mineral exploration industry, (d) certain analytical services to mining and exploration companies, governmental agencies and institutions and (e) licensing and leasing of patented and proprietary instruments and technology for exploration to contractors and end-users.

R&D and instrument manufacture involves the (a) conception and development, including prototype instrumentation, (b) manufacture and sale of instruments and (c) licensing of patented and proprietary techniques and products for non-exploration application.

(i) EXPLORATION

Oil and Gas Exploration Ventures. A comparatively new endeavor of the Company has been to establish a position in oil and gas exploration in its own right in order to acquire revenue from oil and gas production. The Company has directed its attention and expertise in exploration technology to the hydrocarbon field and has been attempting to develop new and improved methods of exploring for oil and gas and for defining drilling prospects. This work has been carried out in the belief that the Company's experience in the mineral exploration field is adaptable to hydrocarbon exploration which in the past has been largely dominated by seismic exploration methods. The Company views its methods as complementary to the use of conventional geological and seismic methods.

Since much of the Company's technology is protected by patents and know-how, the Company intends to achieve greater financial returns by negotiating for carried or partially-carried interests in oil and gas discoveries made using the Company's technology, rather than undertaking solely contract work. The oil and gas exploration business is at the present time, and appears likely to continue, at a relatively high level of activity.

The Company's exploration facilities in Denver were expanded in 1980 with the establishment of geochemical research and analytical laboratory and field office which includes computerized map production facilities. The Company has expanded its commitment to hydrocarbon exploration in two principal areas (i) field and laboratory capabilities and (ii) research and development into more cost-effective geochemical and geophysical exploration methods.

The Company is still in the early stages of its hydrocarbon exploration ventures and has had limited experience in this activity. Until recently the Company has devoted most of its efforts to the development and testing of its new oil and gas exploration techniques. However, a limited number of ventures are already underway.

Barringer Oil and Gas. In December, 1979, the Company entered into two agreements to provide on an exclusive basis, non-airborne surveys throughout Canada and the United States through December 1986, utilizing the Company's know-how in the field of oil and gas exploration, including its proprietary soil geochemistry. Under these agreements the Company was to provide exploration and other services, and the Company's partners were to have paid an aggregate of $1.35 million (Canadian) in order to maintain their exclusive right to use the Company's proprietary non-airborne exploration techniques during the term of the agreement, of which $350,000 (Canadian) was paid to the Company.

These earlier agreements have been superseded by a single agreement, dated December 12, 1980. Under the new arrangement, the Company will no longer be tied exclusively and will be able to use its proprietary ground exploration techniques on its own programs whilst still making available to BOG and its partners ground techniques and services on a non-exclusive basis. Override provisions for oil and gas discoveries are incorporated into the new agreement in which the Company will receive a minimum percentage on any oil and gas discoveries made in areas where its services have been used. In consideration of the elimination of the exclusive commitment provided for in the original agreements, the balance of the fees to be paid under the initial agreement were eliminated. The Company also sold to the Partners an aggregate of 100,000 shares of Common Stock of the Company at a price of $4.50 per share and issued warrants to the Partners to purchase an additional 100,000 shares of Common Stock of the Company, which warrants are exercisable over a three year period ending December 1, 1983 at a purchase price of $10 per share.

Nebraska Exploration Agreement. The Company has entered into an agreement, dated December 15, 1980 with Trinity Resources Inc., Warren Exploration Inc., Nenagh Resources Inc., and Ego Resources Inc., (Trinity, et al) for the exploration of 150,000 acres in Box Butte, Sheridan, and Dawes Counties, Nebraska, consisting of two blocks of approximately 75,000 acres each.

The Company has until March 16, 1981 to identify 75,000 acres for further exploration and development, and may commence an initial well no later than December 15, 1981. A productive well will earn the Company a 100% working interest in the drill site. The Company also has the right to earn all of the Trinity, et al interests in certain other properties contiguous to the drill site.

Exploration in Montana. Barringer Oil & Gas Inc. has completed exploration surveys in the North Harlan Prospect of Blaine County, Montana in conjunction with the Partners. A number of drilling prospects have been identified and drilling has commenced. Barringer Oil & Gas Inc. holds a working interest, carried through to casing, of slightly over 1.5% in this prospect.

Joint Venture with Alpar Resources Inc. Survey work is continuing on a 350,000 acre oil and gas block held jointly on a 50/50 basis by the Company and Alpar Resources Inc. Negotiations are currently underway to bring in joint venture partners to further explore the land holdings by seismic methods and drilling. The area is considered to be a gross wildcat region for oil and gas, but it also has uranium potential.

Other Exploration Activities. The Company has entered into an agreement with an oil company to explore 10,000 acres in southeastern Wyoming. Exploration has indicated some initial target areas, and detailing of these prospects will take place in early 1981. Drilling plans have not yet been formulated.

Development of technology for use in oil, gas and mineral exploration

The Company's R&D efforts have resulted in patented and proprietary instruments, instrument systems and techniques in the fields of ground and airborne exploration for oil and gas and minerals.

Airborne Systems. INPUT® (INduced PUlse Transient) system was the original development of the Company and is the only commercial airborne electromagnetic prospecting system to use a pulsed field principle. The system has been successful in its application in the search for mineral deposits. The success of the system was recently recognized by the Society of Exploration Geophysicists which awarded Dr. Anthony R. Barringer the Kauffman Gold Medal of the Society for his contributions to the science and practice of geophysics via the INPUT system. According to the Society's statistical returns, 70% of all the world's commercial airborne electromagnetic surveys are carried out with the INPUT system. The two licensees who operate the system have provided the Company with a continuous royalty and rental income for more than a dozen years.

COTRAN® (COrrelation of TRANsients) system is a new electromagnetic prospecting system that is shortly going into operational service after several years of development. The system uses a new approach to signal processing that can only be achieved by digital techniques. The airborne computer analysis of the data is believed by the Company to give the system substantial advantages in terms of sensitivity and interpretability. The system will be operated under license by Geoterrex Ltd., an airborne survey company, at higher royalty rates than are being paid for the INPUT system. Only one COTRAN system exists at the present time, and this is currently undergoing evaluation in surveys that are part testing and part operational. Although the results obtained with the system are considered to be promising, the equipment has not yet seen large-scale operational service, and its commercial impact cannot yet be fully evaluated.

TIVAC system is an airborne electromagnetic system designed for oil and gas exploration and is currently under development. The system is aimed at detection of hydrocarbon leakage over oil and gas deposits by geophysical remote sensing methods. (see "Petro-Canada Agreement" herein).

SURTRACE® system is a helicopter-mounted airborne geochemical technique which uses a long flexible probe mounted beneath a helicopter to vacuum surface microlayer samples of material off the ground. Special tape sampling equipment is carried in the helicopter to store the samples sequentially, and a technique known as LASERTRACE® has been developed for providing 25 element analyses of the minute traces of material collected from the ground surface. The analytical technique is fully automated and computerized and is capable of high volume production. The system has already been used successfully in operational programs. Experience to date with the equipment has been restricted to mineral-type surveys, however potential applications in the hydrocarbon field have been established by the use of related ground equipment over oil fields. A ground version back-pack model has also been successfully used.

AIRTRACE® system that extracts and analyzes aerosol in the atmosphere is a forerunner of the SURTRACE system. Although the AIRTRACE equipment is operational, its usage is limited to specific meterological conditions. This limitation results in high costs of surveys and hence is a restriction on more general use of the AIRTRACE method.

AIRBORNE LASER FLUOROSENSOR – A successful airborne laser fluorosensor has been constructed for a Canadian government organization and has functioned very effectively in tests and surveys designed to detect and classify oil slicks. The system is considered to have commercial potential after certain adaptations for hydrocarbon exploration.

Petro-Canada agreement

An agreement on September 30, 1980 was signed with Petro-Canada Exploration Inc., a wholly owned subsidiary of Petro-Canada, Canada's national oil company, to further develop the TIVAC system for airborne oil and gas exploration. The system is aimed at detecting hydrocarbon leakage by geophysical remote sensing methods over oil and gas fields.

Under the agreement, Petro-Canada must contribute up to $3 million (Canadian) towards the development in order to earn an exclusive license, together with the Company, for the use of the system in Canada, and a non-exclusive license for the remainder of the world.

The Petro-Canada funding was retroactive to April 1980 and is designed to complement an earlier grant awarded at that time by the National Research Council of Canada, in which the Company receives $750,000 (Canadian) spread over three years for funding of personnel on the same project.

Airborne feasibility tests with the TIVAC system over a known oil field region have indicated that the concept is working, following confirmatory ground tests with our proprietary geochemical methods. The Petro-Canada funding will be used to extend our confirmatory testing and further develop the TIVAC system.

The goal in the TIVAC program will be to develop an airborne method for the reconnaissance of sedimentary basins and the identification of anomalies for ground follow-up. The system will be used in conjunction with conventional oil exploration methods augmented by complementary remote sensing techniques.

Ground Exploration Systems. The Company has been developing a variety of new ground methods for both mineral and hydrocarbon exploration. These methods are geophysical and geochemical, and are particularly aimed at the detection of deeply buried mineral deposits or oil and gas accumulations. In the field of hydrocarbons, the Company has developed a number of rapid reconnaissance proprietary ground exploration techniques. Some of these are based on the Company's patented technology of "sniffing" the surface microlayer of soils and analyzing the material with our LASERTRACE equipment as well as other devices. The Company's latest methods have been extensively tested over known oil and gas fields, and are now being tested over more than 50 prospective well sites which will be drilled by other companies. Although the Company has no financial interest in these well sites, the testing will provide the Company with an excellent opportunity to review pre-drilling surveys with the results of drilling and possibly improve interpretation techniques. This work supplements a great deal of earlier work over known oil and gas fields that are already in production.

In the case of mineral exploration, successful test programs with new methods over uranium orebodies buried at depths of up to 600 feet have provided the basis for contract exploration programs that are presently underway.

Mineral exploration services and management and analytical services

In general, the Company maintains a different approach to mining and mineral exploration activities as compared with oil and gas exploration, operating primarily on a service and contractual basis, rather than for its own account. The Company provides extensive analytical services as well as exploration techniques and programs utilizing the Company's previously discussed proprietary techniques and instrumentation as well as generally accepted exploration techniques. These services are offered to the mineral exploration industries on a contract basis in which the Company, in some instances, seeks to maintain an economic interest in the results of such programs.

The Company maintains a professional staff experienced in geology, geochemistry, geophysics and data processing as well as laboratory competence in analytical chemistry. The Company's staff provides exploration management, consulting and field and airborne services.

The Company operates a number of custom analytical laboratories which carry out assays and geochemical and environmental analyses for a broad range of customers. General analytical laboratories for geochemical analyses and assays have been established in Metropolitan Denver, Calgary, and Reno. In

May, 1980 the Company purchased all the assets of Whitehorse Assay Office Ltd. This additional assay and geochemical laboratory will operate during the summer seasons in the Yukon Territories at Whitehorse. Most of the Company's laboratories are computer-linked through a central data base in Houston which allows rapid turn-around of data for customers and interchangeability of software among facilities. Clients are offered the opportunity of direct access to their data in the central data base in the event they desire to carry out their own computational or statistical work.

The most comprehensive analytical laboratory is in Toronto, where instrumentation and facilities exist for running a complete spectrum of routine geochemical and environmental analyses as well as an extensive list of specialized analyses using advanced instrumentation. These include inductively coupled plasma equipment for multi-element analyses from solutions of up to 35 elements on a precision and mass production basis; a laser vaporization system, designated LASERTRACE, that is able to analyze for 25 elements directly from powders and solids, at a rate of more than 1000 samples per day, and ion exchange liquid chromatography equipment. Installation of computer facilities in the Toronto laboratory has had a significant effect on the productivity of multi-element analyses which are being used increasingly by customers of the Company for analysis of geochemical and environmental samples as well as mineral samples.

Geochemical laboratories have been a stable part of the Company's business since its inception in 1961, and they continue to provide it with a steady source of income and an important contact with the mining business.

The following is a list of companies for whom the Company has provided exploration management, consulting, technical or analytical services in 1979 and 1980:

United States Geological Survey	Asamera Oil (Canada)
Geological Survey of Canada	United States Bureau of Land Management
Uranerz Mining (Canada, U.S.A.)	United States Department of Energy
Border Exploration (U.S.A.)	Exxon Corporation (Canada, U.S.A.)
Billiton Metals and Ores (U.S.A.)	Coastal Oil and Gas Corporation (U.S.A.)
Anglo American Corporation (South Africa)	U.S. Environmental Protection Agency
Chevron Standard (Canada, U.S.A.)	U.S. Steel Corporation
Gulf Minerals (Canada, U.S.A.)	Washington Public Power Supply System (U.S.A.)

Barringer Fiji Limited. The Company is involved in a mineral exploration program in the Fiji Islands in a joint venture with Australian Anglo American Company Limited and AMAX. Barringer Fiji Limited ("BFL") was incorporated in connection with an agreement of the government of Fiji for exclusive prospecting rights on the two main islands of Fiji covering all ground, except that subject to lease claims, as of July 31, 1969. The Company had acted as technical manager of the Fiji program which was initially funded by Contifinance S.A. (an affiliate of Roan Selection Trust) in consideration for an 80% interest in BFL. Under the terms of an agreement with Australian Anglo American Company and AMAX, the Company relinquished one-half of its 20% interest in BFL areas. Exploration began in 1974 and continued through 1980. While the exploration results are not considered encouraging, work is continuing. The Company has no financial obligations with respect to the BFL program.

Royex Sturgex Mining Limited/Cullaton Lake Gold Mines. The Company owns an aggregate of 487,265 shares, or approximately 18% of the outstanding shares of Royex Sturgex Mining Limited ("Royex"), having recently acquired 250,000 shares of Royex in exchange for the Company's 3.6% direct interest in the Cullaton Lake Orebody, located in the Northwest Territories, Canada. The principal asset of Royex is a 20% interest in the Cullaton Lake Orebody of which 10% is free carried for Royex. The owners of the 80% of the orebody, have announced their intention to bring the property into production by 1981 and have spent approximately $5 million (Canadian) for underground development during 1980, with an additional capital outlay of $20 million (Canadian) expected in 1981. Royex will be required to make proportionate contributions to development expenses in order to maintain its ownership position, but may, in any event, retain a free carried non-assessable interest of 10% of the property with no additional capital outlay. The cumulative cash flow over the seven years estimated life of the mine, before taxes, based upon a gold price of $500 (U.S.) per ounce is approximately $39 million (U.S.). Royex recently completed a sale of

750,000 shares of common stock for approximately \$2.7 million (Canadian), which will be used to fund Royex contributions to development expenses. In addition, Royex owns 100% interest in a nearby gold prospect named "Shear Lake". Previous work, which included surface sampling and diamond drilling, indicated encouraging assay results. Royex shares are traded on the Toronto Unlisted Market and prices during the first two weeks of March 1981 were \$6¾ to \$7⅛ (Canadian) per share.

Licensing and Leasing. A portion of the Company's income comes from the licensing and leasing of its patents and systems. The Company's INPUT system has been licensed to Geoterrex Ltd. of Ottawa and Questor Surveys Ltd. of Toronto, and is used on a worldwide basis for airborne electromagnetic surveys for minerals. A royalty is paid for every line-mile of production survey carried out by both companies and, in addition, a lease payment is made on the equipment. A fleet of eight INPUT survey aircraft exists in total, and these are normally based in the United States, Canada, South Africa and Australia. Approximately 20 orebodies have been discovered with the system, and according to the Society of Exploration Geophysicists, 70% of all of the world's commercial airborne electromagnetic surveys are carried out with the INPUT system. The equipment continues to generate a substantial income for the Company, and despite the fact that the INPUT system has been in continuous use for commercial surveys since 1967, there has been no dimunition in the volume of work being carried out.

The new COTRAN system, which is an advanced digital airborne electromagnetic system, is shortly going into production surveys and has been licensed to Geoterrex Ltd. of Ottawa. The Company has agreed to perform a \$300,000 (Canadian) survey for a Canadian government agency in the Athabasca Basin of Saskatchewan which will commence in Spring 1981.

A modification of the Company's INPUT system that is covered by patents is used as a metal detector for airport surveillance. The system is in use in U.S. airports and also in penal institutions, and is manufactured by Intex Inc. of Washington, D.C., as licensee. The Company receives a royalty for all units sold. At the present time, Intex is disputing payment of the royalty and litigation is in process. The Company also contends that two companies, Federal Labs Incorporated and Outokumpu Oy, are attempting to infringe its patents by introducing similar devices to the market, and litigation is in process. The continuance of income from this system will depend upon the success of litigation in establishing the validity of payments and the Company's patents.

(ii) RESEARCH AND DEVELOPMENT AND INSTRUMENT MANUFACTURE

Research and Development. The Company's research and development ("R&D") policy is to undertake projects that may lead to the development of patented or proprietary products or services for the Company. The Company's R&D staff is comprised of professional scientists and engineers plus technical staff and undertakes R&D work for private industry as well as governments in the areas of (i) electro-optics, (ii) electromagnetics, (iii) magnetics and (iv) atmospheric physics. R&D projects generally include design engineering as well as construction of prototype instruments and systems. Generally, a portion of R&D projects are funded by third parties, most recently such funding has come primarily from mining and oil companies as well as governmental agencies.

The Company's R&D efforts have resulted in patented and proprietary instruments, instrument systems and techniques in the fields of airborne exploration, ground exploration, environmental monitoring and process control and metal detection devices. These instruments, instrument systems and techniques are licensed to others and used directly by the Company in providing services to others.

Instrument Manufacture. The Company has for many years been involved in the manufacturing of certain exploration instrumentation and monitoring equipment. There has recently been growth in the volume of this manufacturing, and a further increase in the Company's product lines is planned. Towards this end, 13,000 square feet of space have been added to the Toronto facility.

Existing product lines include a range of ground and oceanographic proton precession magnetometers which are marketed on a worldwide basis through direct sales and agents. This is a well established product line which produces a steady cash flow.

Another product of the Company is its range of on-stream heavy water monitors for use in the monitoring of the heavy water content of flow streams in nuclear reactors. The Company is a supplier for the CANDU, Canadian heavy water reactor, which has seen expanded use in Canada and overseas.

COSPEC® (COrrelation SPECtrometers) are the only commercially available remote sensing devices for the monitoring of atmospheric concentrations of sulphur dioxide and nitrogen dioxide. About 80 of these instruments have been sold to 25 different countries, where they perform a unique function in the monitoring of air pollution. The joint use of networks of ground sensors and our remote sensing equipment is used as a tool for modeling air pollution episodes and various research investigations of air pollution problems.

Additional specialized optical systems for monitoring gases are manufactured by the Company, including the GASPEC® infrared system for remote detection of gases, and its Correlation Interferometer that is used in related areas. These instruments are generally manufactured on special order for governmental agencies such as the National Aeronautics and Space Administration.

Metal detection systems have also been developed by the Company as a natural spin-off from its airborne geophysical equipment. A modification of the original design was filed as a patent for traffic counting and tramp metal detection on conveyor belts. Subsequently, this patent has found a market in its use as a metal detector in walk-through systems installed in airports. A further market has been for use on conveyor belts in protecting ore crushers from damage caused by ingesting pieces of metal that accidentally get mixed in with the ore. Recently, a continuing development of metal detection has taken place under a contract on an adaptation of our COTRAN digital system for detecting metal on conveyor belts. A prototype system has functioned well and has demonstrated a significant advantage in that it can be programmed to ignore pieces of metal, such as the clips on conveyor belt seams, which give a signal in most metal detectors that will trigger a false alarm. It is anticipated that there will be further development of the COTRAN principle, possibly using new microcomputer technology, allowing production costs to be reduced so that the system can be applied to a number of new applications. This system may also be used for military range clearance.

A new product was introduced to the market in November, 1980. This product, known as a Ratioing Radiometer, is an optical device for measuring the reflectance ratios of pairs of wavelengths in the visible and infrared region. The instrument has application in identifying clay minerals for mapping purposes when exploring for mineralization and in the ground follow-up of targets of interest selected from satellite imagery and aerial photography, particularly with regard to the forthcoming U.S. Landsat-D satellite and the French SPOT satellite. Both these satellites carry infrared bands that generate new kinds of ground information that can be checked on the surface with the Radiometer. A strong interest has been shown in the instrument and the first production run is in progress.

In 1979, the AutoReset, an automatic range change device for analog signal resetting was introduced. Because of encouraging response, further design improvements were made during 1980. Sales have lead to the commitment of further production runs in 1980 and 1981.

Further instruments are under consideration at the present time for development and marketing.

Major clients in 1979 and 1980 consist of private and governmental organizations, include:

TRW Systems (U.S.A.)	Ministry of Defense (U.S.)
National Research Council (Canada)	Anglo American Corporation (South Africa)
Canada Center for Remote Sensing	Atomic Energy of Canada
United States Air Force	NASA Research Center (U.S.A.)
Department of Supply and Services (Canada)	Petro-Canada Exploration Inc.
Rexnord (U.S.A.)	Ontario Hydro (Canada)
Elf Aquitaine (France)	Sulzer Brothers Canada Limited

COMPETITION

While there are no companies that compete directly with the Company with instrumentation similar to the patented systems of the Company, other companies have other electromagnetic techniques and other methods that do compete with the Company in the airborne as well as ground mineral and oil and gas exploration market. There are numerous companies and individuals engaged in oil and gas exploration and there is a high degree of competition for desirable leases and drilling equipment. Many of the companies engaged in oil and gas exploration possess larger technical staffs and financial resources than the Company.

There are numerous companies engaged in the manufacture of geophysical instruments that compete with the various instruments manufactured by the Company and that provide exploration and analytical chemical services similar to those provided by the Company.

Although there are numerous pollution monitoring devices available on the market which compete in the same areas of use as the Company's instruments, such instruments do not provide the instantaneous, specific and continuous readings available by use of the Company's patented electro-optical methods. The Company is not, however, a major manufacturer of pollution monitoring devices.

DEPENDENCY UPON LIMITED NUMBER OF CUSTOMERS

No single customer accounted for more than 10% of total revenue in 1979 or 1980.

BACKLOG

The following table sets forth the backlog of work on hand as at December 31, 1979 and 1980.

	December 31, 1980	December 31, 1979
(1) Research, Development and Instrument Manufacture	$3,131,000	$1,084,000
(2) Analytical Services, Licensing and Exploration	569,000	720,000
TOTAL	$3,700,000	$1,804,000

It is estimated that $2,480,000 of the backlog of work on hand at December 31, 1980 will be completed by December 31, 1981, the balance to be subsequently completed.

SOURCES AND AVAILABILITY OF RAW MATERIALS

The Company's manufactured products are basically comprised of assembled components. The items purchased by the Company are of a standardized nature and are available from numerous sources. The Company has no long-term agreement or requirement contract for any of the items purchased by it and, apart from delays in the delivery of some components caused by often tight supply conditions prevailing in the market, the Company does not anticipate any problem in obtaining the necessary materials or parts for manufacture of the equipment it produces.

PATENTS AND LICENSING

The Company has 35 United States patents issued and 3 pending relating to its equipment and systems. An aggregate of 275 patents and patent applications have been issued or are pending in countries other than the United States. Although the Company regards its patents and patent applications to be of value, it does not deem its business as a whole to be materially dependent on any one or more patents or patent applications.

EMPLOYEES

As of December 31, 1980, there were 141 persons (1979 — 130 persons), including officers, in the regular employ of the Company.

SEASONAL BUSINESS

While the Company's operations are not necessarily seasonal, the months of December through March historically represent a low income period, due in part to reduced exploration activities in northern areas.

ITEM 2. PROPERTIES

The Company and its subsidiaries lease office and laboratory space as follows:

Location	Square Footage	Annual Lease	Lease Expiry	Type
304 Carlingview Drive, Rexdale, Ontario	28,000	$48,500	Aug. '90	office, laboratory, R&D and manufacturing
3750 19th St. N.E., Calgary, Alberta	2,900	10,200	May '83	laboratory
1626 Cole Blvd., Golden, Colorado	7,400	74,450	Aug. '84	office laboratory
5161 Ward Road, Wheatridge, Colorado	3,000	13,000	July '84	laboratory
6869 S. Emporia, Englewood, Colorado	1,500	8,250	July '81	–
1455 Deming Way, Sparks, Nevada	6,200	37,900	Aug. '85	laboratory
1156 First Avenue, Whitehorse, Yukon	1,500	3,200	Feb. '82	laboratory

With the exception of the Englewood facility which is currently idle, all locations are operating at full capacity.

The research, development and manufacturing activity encompasses approximately one half of the Ontario locations. All remaining locations support the exploration and analytical services.

ITEM 3. PENDING LEGAL PROCEDURES

None of a material nature.

ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Reference is made to the Proxy Statement.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS

The approximate number of stockholders as at December 31, 1980 was 900 (1979 – 700).

Price Range of Common Stock. The Company's Common Stock is traded on the over-the-counter market and reported on NASDAQ under the symbol BARR. The Company's Common Stock is also listed for trading on the Alberta Stock Exchange. The following table shows the range of high and low bid prices of the Company's Common Stock as reported by the National Quotation Bureau, Inc. for the periods indicated:

	1980		1979	
	High	**Low**	**High**	**Low**
First Quarter	$6.50	$1.50	$1.44	$ .75
Second Quarter	5.00	3.00	1.75	.875
Third Quarter	8.25	3.25	1.625	.875
Fourth Quarter	8.75	6.25	2.00	1.25

The above quotations have been adjusted to reflect the stock split effected in the form of a 100% stock dividend effective March 25, 1980. The Company has not paid any cash dividends since inception.

The above prices represent quotations among dealers without adjustment for retail mark-ups, mark-downs or commissions. They do not necessarily represent actual transactions.

ITEM 6. SELECTED FINANCIAL INFORMATION

1. Consolidated Statement of Earnings
(In $000's except Earnings per Share)

	Years ended December 31				
	1980	1979	1978	1977	1976
Revenues	$5,868	$4,957	$3,880	$3,406	$4,798
Net Earnings	684	460	162	34	379
Earnings per Share	$ 0.35	$ 0.25	$ 0.09	$ 0.02	$ 0.21

2. Consolidated Balance Sheet
(In $000's)

	Years ended December 31				
	1980	1979	1978	1977	1976
Working Capital	$ 868	$ 910	$ 722	$ 863	$ 950
Current Assets	2,107	1,928	1,266	1,211	1,586
Total Assets	4,903	3,346	2,213	1,822	2,142
Current Liabilities	1,239	1,018	544	348	636
Total Liabilities	1,549	1,201	544	368	723
Shareholders' Equity	3,354	2,145	1,669	1,454	1,419
Long-term Obligations	104	182	—	21	87

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Revenues — Revenues increased in 1979 as a result of increased oil and gas exploration programs and increased sales of manufactured products. The increase in 1980 was largely attributable to the funded development program for TIVAC, license fees received under certain agreements, and from continued increases in sales of manufactured products.

Costs and Expenses — The cost of goods sold have been relatively constant as a percentage of total revenues during the three year period (i.e., approximately 65%).

General and Administrative increased from 1978 to 1979 as a result of inflationary trends. In addition to continued inflation in 1980, the increase was mainly due to professional services rendered in connection with various agreements and legal matters.

Research and development expenditures represent the in-house funding of important proprietary and patent oriented activities which enables the Company to secure licensing and royalty fees for certain of its exploration systems. The increase in 1980 was primarily due to in-house funding directed towards the continued development of exploration techniques for oil and gas. Barringer management believes these activities to be important to its future patenting and licensing positions as well as its current revenue producing programs.

Exploration expenses incurred in 1979 and 1980 represent costs incurred on certain programs where the results did not warrant further development or land acquisition.

The 1980 gain on sale of gold property represents the market value at October 23, 1980 (less costs thereof) of the 250,000 shares of common stock of Royex Sturgex Mining Limited exchanged for the Company's 3.6% interest in the Cullaton Lake gold property.

Interest expenses incurred in 1979 and 1980 increased as a result of long term loans secured to provide corporate expansion, interest payable for assets under capital leases, and from higher interest rates paid on increased lines of bank financing.

Other expenses and income basically reflect the translation of the Canadian operations into U.S. dollars. Gains of $7,760 in 1980 and $79,865 in 1979 and a loss of $26,495 in 1978 were recorded.

Current income tax provisions represent taxes payable on income generated from Canadian operations. The deferred income tax results from deferred capital gains tax on the gain from sale of interest in gold property.

The benefit of tax losses and timing differences brought forward relate to the Company's Canadian operations where income taxes would have otherwise been payable had there not been benefits to carry forward from prior years.

Net earnings as a percentage of total revenues increased from 4.2% in 1978 to 9.3% in 1979 and 11.7% in 1980.

Working capital is a measurement of the Company's ability to meet its short term obligations.

	1980	**1979**	**1978**
Working capital/in thousands	$867.6	$909.9	$722.3
Working capital ratio	1.7 to 1	1.9 to 1	2.3 to 1

Working capital increased from 1978 to 1979 as a result of stronger profitability on operations. Although total funds provided in 1980 approximated those of 1979, funds applied increased as a result of acquisition of oil and gas properties and purchases of fixed assets and this combined to result in a decrease in working capital.

The Company's capital expansion programs have historically been financed primarily using internally generated funds with some small amounts of long term debt.

The Company is currently planning to offer to the public 500,000 shares of common stock. The net proceeds to the Company will be used to purchase fixed assets, purchase working interests in oil exploration projects, and provide working capital.

During 1980, the Company declared a one for one stock split effected in the form of a dividend. Adjusting for this stock split, the book value per share of common stock was:

1980	$1.57
1979	1.09
1978	.85

and compared to a market value per share of

1980	$5.60
1979	1.28
1978	.98

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

OPINION OF THE INDEPENDENT PUBLIC ACCOUNTANTS

Reference is made to the Annual Report.

PART III

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS

Reference is made to the Proxy Statement.

The executive officers of the Company, other than those who are also directors of the Company, and their positions with the Company are as follows:

Name, Age and Position	Business Experience During Past Five Years	Officer Since
John H. Davies, 44 *Vice President*	Vice President of the Company and of Barringer Research Limited	1975
Dr. W. Timothy Meyer, 40 *Vice President*	Chief Exploration Geochemist, Cities Service Company to December 1977; Senior Geochemist of the Company to December 1978; Vice President of the Company and Barringer Magenta Limited since January 1979.	1979
Robert D. Regan, 41 *Vice President*	Staff Geophysicist, United States Geological Survey to 1977; Vice President of Earth Sciences Division of the Phoenix Corporation to January 1981; Vice President of the Company since February 1981.	1981
Kenneth H. Dalton, 37 *Controller*	Controller of the Company and of Barringer Research Limited; Secretary-Treasurer of Barringer Magenta Limited since July 1978.	1974

ITEM 10. MANAGEMENT REMUNERATION AND TRANSACTIONS

Reference is made to the Proxy Statement.

PART IV

ITEM 11. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8K

(a) FINANCIAL STATEMENTS

The following consolidated financial statements are included in Part 11, Item 8:

- Opinion of independent public accountants.
- Consolidated balance sheet – December 31, 1980 and 1979.
- Consolidated statement of earnings and retained earnings (deficit) – years ended December 31, 1980, 1979 and 1978.
- Consolidated statement of changes in financial position – years ended December 31, 1980, 1979 and 1978.
- Consolidated statement of shareholders' equity – years ended December 31, 1980, 1979 and 1978.
- Notes to the consolidated financial statements.

(b) SCHEDULES*

For the three years ended December 31, 1980:

I Marketable securities – other investments
V Property, plant and equipment
VI Accumulated depreciation, depletion and amortization of property, plant and equipment
VIII Valuation and qualifying accounts
IX Short term borrowings
X Supplementary income statement information

(c) EXHIBITS

I Working paper of Earnings per share

**All other schedules are omitted because of the absence of the conditions under which they are required, or because the information called for is included in the financial statements or notes thereto.*

The financial statements of Barringer Resources Inc., the parent company, are omitted since it is primarily an operating company and the consolidated subsidiaries do not have a minority equity interest and/or outside debt in excess of 5 per cent of total consolidated assets at December 31, 1980.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Barringer Resources Inc.
(Registrant)

by Anthony R. Barringer

President (Chief Executive Officer) and Director

D. Richard Clews

Executive Vice President (Chief Operating Officer) and Director

Kenneth H. Dalton

Controller (Chief Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacity and on the date indicated.

Robert J. Armstrong

Director

Daniel R. Bereskin

Director

Brandon W. Sweitzer

Director

Roger C. Wilson

Director

DATED: March 25th, 1981.

Barringer Resources Inc.

SCHEDULE I – Marketable Securities – Other Investments

Year ended December 31, 1980

	Balance as at December 31, 1979		Additions during the year		Deductions during the year		Balance as at December 31, 1980	
	No. of Shares	Dollars	No. of Shares	Dollars	No. of Shares	Dollars	No. of Shares	Dollars
Royex Sturgex Mining Ltd. Common Stock	237,265	$ 1	250,000	$833,333	–	–	487,265	$833,334
3.6% Interest in Cullaton Lake Gold Property	–	9,000	–	–	–	$ 9,000	–	–
Petro Minerals Inc. Common Stock	40,000	10,000	–	–	–	–	40,000	10,000
H.S.A. Reactors Ltd. Common Stock	106,154	12,392	–	–	–	–	106,154	12,392
Other Investments	–	1,349	–	3,959	–	–	–	5,308
		$ 32,742		$837,292		$ 9,000		$861,034

Year ended December 31, 1979

	Balance as at December 31, 1978		Additions during the year		Deductions during the year		Balance as at December 31, 1979	
	No. of Shares	Dollars	No. of Shares	Dollars	No. of Shares	Dollars	No. of Shares	Dollars
Royex Sturgex Mining Ltd. Common Stock	237,265	$ 1	–	–	–	–	237,265	$ 1
3.6% Interest in Cullaton Lake Gold Property	–	9,000	–	–	–	–	–	9,000
Petro Minerals Inc. Common Stock	40,000	10,000	–	–	–	–	40,000	10,000
H.S.A. Reactors Ltd. Common Stock	216,700	25,297	–	–	110,546	$ 12,905	106,154	12,392
Other Investments	–	1,349	–	–	–	–	–	1,349
		$ 45,647		–		$ 12,905		$ 32,742

SCHEDULE V – Property, Plant and Equipment

Classification	Balance at beginning of year	Additions at cost	Retirements or sales	Balance at close of year
Year ended December 31, 1980:				
Office furniture and equipment	$ 189,679	$ 42,832	$ –	$ 232,511
Plant, machinery and exploration equipment	1,463,937	377,642	4,679	1,836,900
Equipment for lease	557,841	23,727	–	581,568
Leasehold improvements	307,567	160,015	–	467,582
Total	$2,519,024	$ 604,216	$ 4,679	$3,118,561
Year ended December 31, 1979:				
Office furniture and equipment	$ 155,891	$ 33,788	$ –	$ 189,679
Plant, machinery and exploration equipment	1,271,393	204,589	12,045	1,463,937
Equipment for lease	471,315	86,526	–	557,841
Leasehold improvements	162,903	153,766	9,102	307,567
Total	$2,061,502	$ 478,669	$ 21,147	$2,519,024
Year ended December 31, 1978:				
Office furniture and equipment	$ 139,917	$ 15,974	$ –	$ 155,891
Plant, machinery and exploration equipment	1,000,086	271,307	–	1,271,393
Equipment for lease	361,662	110,034	381	471,315
Leasehold improvements	129,153	33,750	–	162,903
Total	$1,630,818	$ 431,065	$ 381	$2,061,502

SCHEDULE VI – Accumulated Depreciation, Depletion and Amortization of Property, Plant and Equipment

Classification	Balance at beginning of year	Charged to Costs and Expenses	Retirements Renewals and Replacements	Balance at close of year
Year ended December 31, 1980:				
Office furniture and equipment	$ 120,501	$ 15,532	$ –	$ 136,033
Plant, machinery and exploration equipment	1,003,387	179,670	3,230	1,179,827
Equipment for lease	340,395	8,506	–	348,901
Leasehold improvements	94,364	54,165	–	148,529
Total	$1,558,647	$ 257,873	$ 3,230	$1,813,290
Year ended December 31, 1979:				
Office furniture and equipment	$ 109,075	$ 11,426	$ –	$ 120,501
Plant, machinery and exploration equipment	872,918	144,058	13,589	1,003,387
Equipment for lease	332,616	7,779	–	340,395
Leasehold improvements	61,920	33,570	1,126	94,364
Total	$1,376,529	$ 196,833	$ 14,715	$1,558,647
Year ended December 31, 1978:				
Office furniture and equipment	$ 99,567	$ 9,508	$ –	$ 109,075
Plant, machinery and exploration equipment	793,495	79,423	–	872,918
Equipment for lease	286,150	46,542	76	332,616
Leasehold improvements	49,911	12,009	–	61,920
Total	$1,229,123	$ 147,482	$ 76	$1,376,529

Depreciation is provided on the straight-line basis over the estimated useful lives of the assets, principally four to ten years. Leasehold improvements are being amortized over the terms of the Company's leases principally five to twenty years.

Barringer Resources Inc.

SCHEDULE VIII – Valuation and Qualifying Accounts

Allowance for doubtful accounts	Balance at beginning of year	Additions (1)	Deductions (2)	Balance at close of year (3)
Year ended December 31, 1980:	$ 15,632	$ 24,993	$ 4,529	$ 36,096
Year ended December 31, 1979:	$ 22,752	$ 545	$ 7,665	$ 15,632
Year ended December 31, 1978:	$ 29,230	$ 347	$ 6,825	$ 22,752

(1) Charged to costs and expenses
(2) Uncollectible accounts written off
(3) Deducted from accounts receivable

Barringer Resources Inc.

SCHEDULE IX – Short-term Borrowings

Category of Aggregate Short-term Borrowings	Balance at end of Year	Year End Average Interest Rate	Maximum Amount Outstanding During the Year	Average Amount Outstanding During the Year	Weighted Average Interest Rate During the Year
December 31, 1980:					
Bank Indebtedness	$ 478,171	20.5	$ 990,266	$ 691,047	16.2
December 31, 1979:					
Bank Indebtedness	$ 422,407	16.9	$ 782,763	$ 386,996	13.8
December 31, 1978:					
Bank Indebtedness	$ 212,099	10.6	$ 239,441	$ 49,353	8.6

The weighted average interest rate during the year was calculated by dividing the interest paid by the average borrowings.

Barringer Resources Inc.

SCHEDULE X – Supplementary Income Statement Information

Item	Charged to Costs and Expenses Year Ended December 31		
	1980	1979	1978
Maintenance and Repairs	$ 24,104	$ 54,628	$ 78,082
Royalties	74,205	49,214	38,820

EXHIBIT I – WORKING PAPER OF EARNINGS PER SHARE

For the three years ended December 31, 1980

	1980	1979	1978
Average market value per share of common stock	$5.60	$1.28	$0.98
Weighted average number of shares outstanding, excluding common stock equivalents	2,025,060	1,970,634	1,960,466
Common stock equivalents:			
Options:			
1972 Stock Option Plan	57,537	33,858	28,462
1980 Stock Option Plan	28,446	—	—
Other Stock Option Plans	15,982	4,742	1,140
Treasury Stock acquired	(197,000)	(197,200)	(197,200)
Weighted average number of shares outstanding	1,930,025	1,812,034	1,792,868
Earnings before extraordinary item	$463,774	$151,778	$36,850
Extraordinary item	219,917	308,000	125,000
Net Earnings for year	$683,691	$459,778	$161,850
Earnings per share			
Earnings before extraordinary item	$ 0.24	$ 0.08	$ 0.02
Extraordinary item	0.11	0.17	0.07
Net earnings for year	$ 0.35	$ 0.25	$ 0.09

Reference is made to note 18 of the Consolidated Financial Statements.

BARRINGER RESOURCES

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