

1977

1977

DOME MINES LIMITED

Report to Shareholders

For the Financial Year Ended December 31

1977

HOWARD ROSS LIBRARY
OF MANAGEMENT
APR 7 1978
MCGILL UNIVERSITY

DOMINE MINES LIMITED

Report to Shareholders

For the Financial Year Ended December 31

1977

ANNUAL and SPECIAL GENERAL MEETING OF SHAREHOLDERS

will be held
at 10:30 o'clock a.m. (Toronto time)
Monday, May 1, 1978
Territories Room, Royal York Hotel
TORONTO, ONTARIO

\$ 185
180
175
170
165
160
155
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135
130
125
120
115
110
105
100
95
90
85

U.S. DOLLARS / FINE OZ.



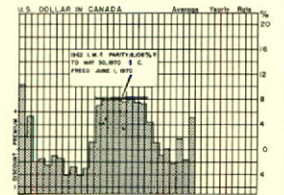
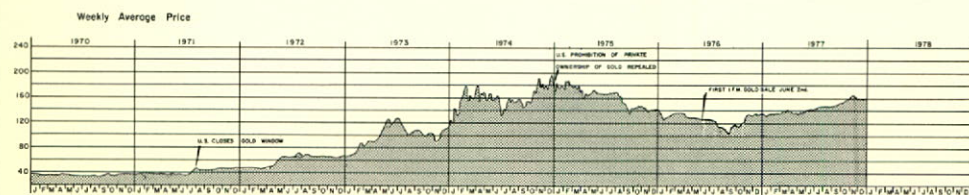
Official Gold Auctions

Auction Date	Quantity Offered	Quantity Awarded	Average Price (\$)	Net Proceeds (millions of \$)
U.S. Treasury Auctions				
Jan. 6/77	2,000,000	733,000	147.65	107.9
June 30/77	500,000	498,500	143.00	71.4
International Monetary Fund Auctions				
1. June 2/76	780,000	780,000	126.46	99.6
2. July 14/76	780,000	780,000	123.02	96.0
3. Sept. 17/76	780,000	780,000	126.40	99.0
4. Oct. 27/76	780,000	779,200	117.71	91.0
5. Dec. 8/76	780,000	780,000	117.89	91.5
6. Jan. 26/77	780,000	780,000	134.43	113.6
7. March 2/77	525,000	524,000	146.51	76.9
8. April 6/77	525,000	524,000	148.18	77.7
9. May 4/77	525,000	524,000	148.62	78.0
10. June 1/77	525,000	524,000	144.19	74.6
11. July 6/77	525,000	524,000	146.26	76.7
12. Aug. 2/77	525,000	524,000	146.26	76.7
13. Sept. 7/77	525,000	524,000	147.78	77.2
14. Oct. 1/77	525,000	524,000	153.14	80.2
15. Nov. 2/77	525,000	524,000	151.86	78.5
16. Dec. 6/77	500,000	500,000	152.94	76.5
TOTAL PROCEEDS BY AUCTIONS TO DATE				1,221.8

○ 1977 GOLD SALES AVE. PRICE

1977 DAILY GOLD PRICE
LONDON - Second Fixing

DOMINE MINES LIMITED



DOMINE MINES LIMITED

(Incorporated under the laws of Canada)

LOCATION OF MINE

South Porcupine, Ont.
P0N 1H0

EXECUTIVE OFFICE

365 Bay Street, Suite 600, Toronto, Ont. M5H 2V9

EXPLORATION DEPARTMENT

G. S. Wallace Bruce, Vice-President Exploration
365 Bay Street, Suite 600, Toronto, Ont. M5H 2V9

ADDRESS OF THE SECRETARY

Box 30, Toronto-Dominion Centre, Toronto, Ont. M5K 1C1

REGISTRARS

Canada Permanent Trust Company, 320 Bay Street, Toronto, Ont. M5H 2P6
The Toronto-Dominion Bank Trust Company, 45 Wall Street, New York, N.Y. 10005

TRANSFER AGENTS

Crown Trust Company, 302 Bay Street, Toronto, Ont. M5H 2P4
The Bank of New York, 48 Wall Street, New York, N.Y. 10015

AUDITORS

Clarkson, Gordon & Co. – Toronto, Ont. M5K 1J7

GENERAL COUNSEL

Fasken & Calvin
Box 30, Toronto-Dominion Centre, Toronto, Ont. M5K 1C1

DIRECTORS

G. Alexander Adamson Toronto, Ont.
Fraser M. Fell Toronto, Ont.
John P. Gallagher Calgary, Alta.
*William F. James Toronto, Ont.
*Allen T. Lambert Toronto, Ont.
A. Bruce Matthews Toronto, Ont.
*John K. McCausland Willowdale, Ont.
Clifford L. Michel New York, N.Y.
F. Warren Pershing New York, N.Y.
James B. Redpath Toronto, Ont.
Malcolm A. Taschereau Toronto, Ont.

*Members of the Audit Committee.



OFFICERS

A. Bruce Matthews Chairman of the Board	James B. Redpath President
Malcolm A. Taschereau Executive Vice-President	Edmund J. Andrecheck Vice-President
Fraser M. Fell Secretary	Robert B. Hutchison Treasurer
G. S. Wallace Bruce Vice-President Exploration	Harry V. Pyke Manager

Robert J. Perry
General Superintendent



It is recorded here that it is the intention of the present management to solicit proxies. The form of proxy and the information circular will accompany the Notice of Annual and Special General Meeting which is being mailed to all shareholders.

COMPARATIVE CONSOLIDATED FINANCIAL SUMMARY

	1977	1976
Bullion Revenue.....	\$59,067,000	\$46,716,000
Operating Costs.....	\$34,683,000	\$32,414,000
Operating Profit.....	\$24,384,000	\$14,302,000
Exploration Expenses.....	\$ 1,803,000	\$ 1,722,000
Taxes (Provincial and Federal).....	\$13,738,000	\$ 8,498,000
Net Income.....	\$34,570,000	\$18,460,000
Net Income per share.....	\$5.80	\$3.06
Working Capital – December 31.....	\$53,318,000	\$50,039,000
Dividends Declared.....	\$ 6,440,000	\$ 5,032,000
Dividends declared per share.....	\$1.00	\$0.80
Shares Issued.....	6,440,004	6,440,004
Number of Shareholders – December 31.....	7,029	7,444

REPORT OF THE DIRECTORS
of
DOME MINES LIMITED
(For the Financial Year Ended December 31, 1977)

Toronto, Ontario,
March 23, 1978.

To the Shareholders of
Dome Mines Limited:

On behalf of your Directors, the undersigned are pleased to submit their joint report covering the financial year ended December 31, 1977. Included are the balance sheet and statements of income, retained earnings and changes in financial position which consolidate your Company's interests in its subsidiaries, Campbell Red Lake Mines Limited, Sigma Mines (Quebec) Limited, and equity in the earnings of its affiliate, Dome Petroleum Limited, together with the Report of the Auditors thereon.

Consolidated net income aggregated \$34,570,000 or \$5.80 per share, as compared with \$18,460,000 or \$3.06 per share in 1976. Your Company declared dividends of \$1.00 per share as compared to 80¢ during the year 1976.

Though the gross production of 362,890 ounces of gold showed a decline from the 379,398 ounces produced in 1976, bullion revenue increased to \$59,067,000 from \$46,716,000 in 1976 as a result of a higher average gold price. Bullion revenue per ounce of gold produced during the year averaged \$162.77 as compared to \$123.13 in 1976.

Operations at South Porcupine are fully covered in the Report of the Manager commencing on page fifteen of this report and summaries of the operations of the subsidiary companies, Campbell Red Lake Mines Limited and Sigma Mines (Quebec) Limited are included on page fourteen.

Net income of Dome Petroleum Limited increased significantly to \$104,285,000 or \$9.29 per share compared with \$55,254,000 or \$4.80 per share in 1976. Dome Mines' equity in these earnings amounted to \$25,888,000 or \$4.35 per share of Dome Mines. This equity represents approximately 75% of the earnings of Dome Mines. However, Dome Petroleum uses all earnings for expansion and debt service and does not pay dividends. Thus the equity in the earnings of Dome Petroleum as reflected in the earnings of Dome Mines cannot be used in formulating the Dome Mines' dividend policy.

Dividends totalling \$900,000 were received from Mattagami Lake Mines Limited compared with \$1,000,000 in 1976. Mattagami's earnings were adversely affected by the lower world prices for zinc and copper resulting from a continuing over supply of these minerals.

Canada Tungsten Mining Corporation Limited again had a very successful year as a result of higher tungsten prices and improved recovery. Net earnings were sharply increased to \$3.23 per share compared to \$1.38 in 1976. Your Company received \$500,860 in dividends from this source.

Consolidated working capital position increased to \$53,318,000.

The mineral exploration program conducted by Dome Exploration (Canada) Limited on behalf of Dome Mines and subsidiaries, Campbell and Sigma, continued at the same level as in 1976. Details are covered on page twenty of this report.

The year 1977 opened with the price of gold on the London market at \$135.76 per ounce in United States funds. The year ended with a price of \$164.95 per ounce. In effect the year showed a continuing gradual increase from the low point of \$103.00 reached in August of 1976. Eleven auctions were held during the year by the International Monetary Fund. Each of these was substantially over-subscribed and the total of 6,030,000 ounces offered were readily absorbed with no apparent effect on market price. Higher prices and greater demand result from increased concern over continuing balance of payment deficits and continuing inflation in most countries of the western world. In Canada the Canadian dollar dropped to an average discount of 6% compared to the U.S. dollar. During the previous year the Canadian dollar had been at an average 2% premium. These factors all contributed to higher Canadian dollar earnings for Canadian gold producers. Looking to the future it seems probable that problems of international liquidity and balance of payments together with strong inflationary pressures and the consequent erosion of the value of paper currencies will continue to enhance the value of gold as a protection against the ever declining value of our savings.

Mr. Malcolm A. Taschereau was appointed Executive Vice-President of the Company on April 25, 1977.

Mr. Edmund J. Andrecheck retired as Treasurer of the Company on September 1, 1977, and was appointed Vice-President.

Mr. Robert B. Hutchison was appointed Treasurer of the Company on September 1, 1977. Mr. Hutchison was formerly Office Superintendent of Sigma Mines (Quebec) Limited.

Your Directors again wish to take this opportunity to record their appreciation for the results achieved by management and staffs at the various operations and to thank all employees for their cooperative efforts throughout the year.

Respectfully submitted,

On behalf of the Board,

A. BRUCE MATTHEWS,
Chairman.

JAMES B. REDPATH,
President.

Dome Mines Limited

ACCOUNTING POLICIES DECEMBER 31, 1977 and 1976

The following is a summary of the principal accounting policies of the company. These policies are in conformity with generally accepted accounting principles in Canada and are also, except as disclosed in note 3, in all material respects, in conformity with those generally accepted in the United States.

A. Basis of consolidation

The consolidated financial statements include the accounts of all the subsidiary companies, Dome Exploration (Canada) Limited (wholly-owned), Campbell Red Lake Mines Limited (57% owned) and Sigma Mines (Quebec) Limited (63% owned).

B. Basis of accounting for Dome Petroleum Limited

The investment in Dome Petroleum Limited is accounted for on the equity method whereby the company's investment is carried at cost plus its share of undistributed earnings since acquisition. The excess of the cost of this investment over the underlying book value at the various dates of acquisition is attributable to Dome Petroleum's oil and gas reserves, and is being amortized to income by reference to annual production in relation to the estimated recoverable reserves.

Since Dome Mines owns 26% (3,150,000 shares) of Dome Petroleum and Dome Petroleum owns 29.5% (1,900,000 shares) of Dome Mines, these reciprocal shareholdings result in the company having a 7.7% interest in its own shares. The investment account (and shareholders' equity) is therefore reduced by the allocated portion of the cost which represents this pro rata interest in Dome Mines' shares held by Dome Petroleum, and the equity in earnings of Dome Petroleum reflected in the consolidated statement of income is based on the earnings of Dome Petroleum excluding the latter's share of earnings of Dome Mines.

C. Valuation of inventories

Bullion on hand and in transit is valued at its estimated net realizable value. The method used in estimating net realizable value is

- to value bullion sold to the date the estimate is made at actual net realizable value, and
- to value unsold bullion on this date at 85% of the closing London Price.

Mining and milling supplies are valued at cost determined on an average cost basis.

D. Valuation of investments

Except for the investment in Dome Petroleum Limited (B above), marketable securities and other investments with a quoted market value are valued at cost. The investment in oil and gas properties has been accounted for using the successful efforts method of accounting which provides for the investment to be valued at cost (gross expenditure less the frontier exploration allowance incentive) pending the results of exploration on such properties. All other investments are carried at cost except for Panarctic Oils Ltd. (acquired for development work) which has, since January 1, 1973, been carried at the amount expended since that date (with deferred income taxes arising as a result of writing these expenditures off for income tax purposes included as a deferred credit).

E. Valuation of capital assets

- (i) Buildings, machinery and equipment are shown at cost. Mining claims and properties are at cost less amounts written off.
- (ii) Upon sale or retirement, the cost of capital assets and the related depreciation or amortization are removed from the accounts and any gain or loss is taken into income.
- (iii) Repairs and maintenance are charged to operations; major betterments and replacements are capitalized.

F. Depreciation and amortization

- (i) Depreciation on buildings, machinery and equipment is provided at the rate of 15% per annum on the straight-line method.
- (ii) Mining claims and properties are being amortized at the rate of 15% per annum on the straight-line method.

G. Mine development and exploration expenditures

All mine development, shaft sinking and exploration expenditures are charged against income as incurred.

H. Income and mining taxes

The companies follow the tax allocation method of accounting. Under this method, timing differences between the amount of income reported for tax purposes and the amount of accounting income (which arise principally as a result of claiming depreciation and exploration at rates differing from those recorded in the accounts), result in provisions for deferred taxes and these are segregated in the deferred income and mining tax accounts at the year-end.

Dome Mines Limited

CONSOLIDATED STATEMENT OF INCOME YEARS ENDED DECEMBER 31, 1977 and 1976

	<u>1977</u>	<u>1976</u>
Bullion revenue	\$59,067,000	\$46,716,000
Operating costs:		
Development	3,559,000	3,623,000
Mining	19,159,000	17,903,000
Milling	6,751,000	5,968,000
Refining and marketing	431,000	421,000
General and administrative	2,950,000	2,834,000
Taxes other than income and mining	453,000	403,000
Depreciation and amortization	1,380,000	1,262,000
	<u>34,683,000</u>	<u>32,414,000</u>
Operating profit	24,384,000	14,302,000
Other income:		
Dividends	1,816,000	1,425,000
Interest and miscellaneous income	3,612,000	3,673,000
	<u>29,812,000</u>	<u>19,400,000</u>
Outside exploration expenditures	1,803,000	1,722,000
Income before taxes and other items	<u>28,009,000</u>	<u>17,678,000</u>
Income and mining taxes (note 2):		
Federal income tax	7,141,000	4,488,000
Provincial income taxes	2,325,000	1,451,000
Provincial mining taxes	4,272,000	2,559,000
	<u>13,738,000</u>	<u>8,498,000</u>
Income after taxes, before other items	14,271,000	9,180,000
Equity in earnings of Dome Petroleum Limited (note 3)	25,888,000	12,843,000
Minority interest in net income of subsidiary companies	(5,589,000)	(3,563,000)
Net income for the year	<u>\$34,570,000</u>	<u>\$18,460,000</u>
Net income per share (notes 3 and 6)	<u>\$5.80</u>	<u>\$3.06</u>

(See accompanying notes to consolidated financial statements)

DOME MINE

(Incorporated under The

CONSOLIDATED BALANCE SHEET

ASSETS

	1977	1976
Current assets:		
Cash, including bank term deposits	\$ 26,438,000	\$ 18,245,000
Bullion (note 4)	7,151,000	7,451,000
Short-term commercial paper, at cost	20,193,000	19,031,000
Marketable securities (schedule attached)	5,798,000	7,277,000
Sundry receivables	981,000	1,437,000
Mining and milling supplies	4,890,000	4,565,000
	65,451,000	58,006,000
 Investments:		
Dome Petroleum Limited (note 3)	93,292,000	67,343,000
Other (schedule attached)	10,829,000	7,810,000
	104,121,000	75,153,000
 Capital assets:		
Buildings, machinery and equipment	26,482,000	25,668,000
Less accumulated depreciation	22,180,000	21,026,000
	4,302,000	4,642,000
Mining claims and properties	277,000	411,000
	4,579,000	5,053,000
	\$ 174,151,000	\$138,212,000

(See accompanying notes to

AUDITORS

To the Shareholders of
Dome Mines Limited:

We have examined the consolidated balance sheet of Dome Mines Limited as at December 31, 1977 and 1976 and the consolidated statements of income, retained earnings and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

S LIMITED

Canada Corporations Act)

DECEMBER 31, 1977 AND 1976

LIABILITIES AND SHAREHOLDERS' EQUITY

	<u>1977</u>	<u>1976</u>
Current liabilities:		
Salaries and wages payable	\$ 1,181,000	\$ 1,100,000
Accounts payable	1,238,000	1,105,000
Accrued charges	950,000	515,000
Accrued taxes (note 2)	4,449,000	2,809,000
Dividends payable	4,315,000	2,438,000
	<u>12,133,000</u>	<u>7,967,000</u>
Deferred income and mining taxes	<u>2,138,000</u>	<u>738,000</u>
Minority interest in subsidiary companies	<u>20,585,000</u>	<u>18,403,000</u>
Shareholders' equity:		
Capital –		
Authorized:		
10,000,000 shares of no nominal or par value		
Issued (note 5):		
6,440,004 shares	31,000,000	31,000,000
Contributed surplus	3,606,000	3,606,000
Retained earnings	123,975,000	95,845,000
	<u>158,581,000</u>	<u>130,451,000</u>
Less Dome Mines' pro rata interest (482,879 shares) in its shares held by Dome Petroleum (note 3)	<u>19,286,000</u>	<u>19,347,000</u>
	<u>139,295,000</u>	<u>111,104,000</u>
On behalf of the Board:		
J. B. REDPATH, Director	<u>\$ 174,151,000</u>	<u>\$138,212,000</u>
F. M. FELL, Director		

consolidated financial statements)

REPORT

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1977 and 1976 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles applied on a consistent basis during the period.

Toronto, Canada,
March 8, 1978.

CLARKSON, GORDON & CO.
Chartered Accountants

Dome Mines Limited

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION YEARS ENDED DECEMBER 31, 1977 AND 1976

	1977	1976
Source of working capital:		
Operations –		
Net income for the year	\$ 34,570,000	\$ 18,460,000
Items not affecting working capital:		
Depreciation and amortization	1,380,000	1,262,000
Deferred income taxes	1,400,000	216,000
Equity in undistributed earnings of Dome Petroleum Limited (note 3)	(25,888,000)	(12,843,000)
Minority interest in income of subsidiaries less dividends paid ..	2,182,000	227,000
Total from operations	13,644,000	7,322,000
Disposition of working capital:		
Acquisition of shares of Dome Petroleum Limited –		
Pursuant to Share Exchange Agreement including costs of \$193,000 (note 5)		24,193,000
Less consideration for shares issued		24,000,000
		193,000
For cash		1,828,000
Total for shares acquired		2,021,000
Dividends	6,440,000	5,032,000
Expenditures on capital assets	906,000	1,020,000
Purchase of other investments	3,019,000	2,545,000
Total	10,365,000	10,618,000
Net increase (decrease) in working capital for the year	\$ 3,279,000	\$ (3,296,000)
Changes in components of working capital:		
Increase (decrease) in current assets –		
Cash and bank term deposits	\$ 8,193,000	\$ 232,000
Bullion	(300,000)	(841,000)
Short-term commercial paper	1,162,000	(6,328,000)
Marketable securities	(1,479,000)	905,000
Sundry receivables	(456,000)	194,000
Mining and milling supplies	325,000	24,000
	7,445,000	(5,814,000)
Increase (decrease) in current liabilities –		
Salaries and wages payable	81,000	5,000
Accounts payable	133,000	(55,000)
Accrued charges	435,000	(66,000)
Accrued taxes	1,640,000	(2,389,000)
Dividends payable	1,877,000	(13,000)
	4,166,000	(2,518,000)
Net increase (decrease) in working capital for the year	3,279,000	(3,296,000)
Working capital, beginning of the year	50,039,000	53,335,000
Working capital, end of the year	\$ 53,318,000	\$ 50,039,000

(See accompanying notes to consolidated financial statements)

Dome Mines Limited

CONSOLIDATED SCHEDULE OF MARKETABLE SECURITIES AND OTHER INVESTMENTS DECEMBER 31, 1977 AND 1976

	1977		1976	
	Book value	Market value	Book value	Market value
Marketable securities:				
Government and government guaranteed short-term securities	\$ 1,297,000	\$ 1,311,000	\$ 2,176,000	\$ 2,175,000
Corporate bonds	1,405,000	1,427,000	2,005,000	2,021,000
Common shares	3,096,000	5,655,000	3,096,000	6,127,000
	<u>\$ 5,798,000</u>	<u>\$ 8,393,000</u>	<u>\$ 7,277,000</u>	<u>\$10,323,000</u>
Other investments:				
With a quoted market value –				
Canada Tungsten Mining Corporation Limited:				
Shares (1977 – 945,912; 1976 – 945,912)	\$ 616,000	\$ 8,986,000	\$ 616,000	\$ 5,439,000
Mattagami Lake Mines Limited:				
Shares (1977 – 1,000,000; 1976 – 1,000,000)	3,573,000	9,750,000	3,573,000	13,125,000
The Yukon Consolidated Gold Corporation Limited:				
Shares (1977 – 1,257,300; 1976 – 1,123,000)	2,015,000	2,766,000	1,774,000	1,853,000
With no quoted market value –				
Panarctic Oils Ltd.:				
Common shares, no par value (1977 – 626,554; 1976 – 556,742)	1,646,000		1,314,000	
Oil and gas properties	1,840,000			
Sundry	1,139,000		533,000	
	<u>\$10,829,000</u>		<u>\$ 7,810,000</u>	

(See accompanying notes to consolidated financial statements)

Dome Mines Limited

CONSOLIDATED STATEMENT OF RETAINED EARNINGS YEARS ENDED DECEMBER 31, 1977 AND 1976

	1977	1976
Balance, beginning of year	\$ 95,845,000	\$ 82,417,000
Net income for the year	34,570,000	18,460,000
	130,415,000	100,877,000
Deduct dividends (1977 – \$1.00 per share; 1976 – \$0.80 per share)	6,440,000	5,032,000
Balance, end of the year	\$123,975,000	\$ 95,845,000

(See accompanying notes to consolidated financial statements)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 1977 AND 1976

1. Accounting policies

Principal accounting policies –

The principal accounting policies followed by the company and its subsidiaries are summarized under the caption "Accounting Policies".

2. Income and mining taxes

(a) The provision for income and mining taxes consists of:

	1977		1976	
	Current	Deferred	Current	Deferred
Federal income tax	\$ 5,959,000	\$1,182,000	\$ 4,327,000	\$ 161,000
Provincial income taxes	2,107,000	218,000	1,396,000	55,000
Provincial mining taxes	4,272,000		2,559,000	
	\$12,338,000	\$1,400,000	\$ 8,282,000	\$ 216,000

(b) Income and mining taxes for 1977 are provided at a combined federal and provincial effective rate of 49.1%, an increase of 1.0% over 1976.

The difference between the combined federal and provincial basic statutory rates and that used in calculating the provision for income and mining taxes is as follows:

	1977	1976
Income taxes –		
Basic statutory rate (combined)	48.0%	48.0%
Less:		
Resource allowance	5.8	7.5
Depletion	4.4	3.7
Exempt income*	2.5	3.2
Sundry	1.5	1.4
	14.2	14.4
Effective rate	33.8	33.6
Mining taxes –		
Average rate	15.3	14.5
Total income and mining tax rate used	49.1%	48.1%

*Principally dividends from Canadian corporations

3. Summary of investment in Dome Petroleum Limited

	<u>1977</u>	<u>1976</u>
Number of shares	3,150,000	3,150,000
Market value (which is not necessarily indicative of realizable value)	<u>\$187,819,000</u>	<u>\$127,968,000</u>
Carrying value:		
Cost of acquisition	\$ 46,372,000	\$ 46,372,000
Equity in undistributed earnings	<u>66,206,000</u>	<u>40,318,000</u>
	112,578,000	86,690,000
Less Dome Mines' pro rata interest in its shares held by Dome Petroleum	<u>19,286,000</u>	<u>19,347,000</u>
	<u>\$ 93,292,000</u>	<u>\$ 67,343,000</u>

The unamortized excess of cost of investment over the underlying book value at the various dates of acquisition was: 1977 – \$17,122,000; 1976 – \$17,853,000.

Dome Petroleum follows the accounting principle generally accepted in Canada of translating long-term debt payable in U.S. funds at rates prevailing at dates the obligations were incurred. This practice differs from the U.S. accounting principle which requires translation at rates in effect at the year-end. As disclosed in Dome Petroleum's annual report, compliance with U.S. accounting principles would have reduced their earnings by \$10,146,000 in 1977 and \$739,000 in 1976. Accordingly, Dome Mines' equity in earnings of Dome Petroleum and net income would have been reduced by \$2,575,000 in 1977 (\$0.43 per share) and \$188,000 in 1976 (\$0.03 per share) if U.S. accounting principles had been followed.

4. Bullion

Bullion on hand and in transit at the year end is valued at \$162 per ounce (1976 – \$124 per ounce).

5. Share capital

Pursuant to the Share Exchange Agreement of May 10, 1976 Dome Mines issued 600,000 shares to Dome Petroleum in consideration for the issue by Dome Petroleum to Dome Mines of 700,000 common shares of Dome Petroleum, in each case representing an exchange value of \$24,000,000.

6. Earnings per share

Earnings per share are calculated by using the weighted average number of shares outstanding after deducting the company's pro rata interest in its own shares held by Dome Petroleum.

7. Directors and officers

The aggregate remuneration of the directors and officers of Dome Mines Limited as defined in Section 122.2 of the Canada Corporations Act was as follows:

	<u>1977</u>	<u>1976</u>
To the eleven directors as directors	\$ 27,600	\$ 30,000
To the eleven officers four of whom are also directors (five in 1976), as officers*	370,000	339,000

*Includes \$92,000 (\$91,000 in 1976) received by the officers from the wholly and partially-owned subsidiaries.

8. Anti-Inflation Program

Under the federal government's Anti-Inflation Program (presently scheduled to be in force until December 31, 1978) the company is subject to mandatory compliance with controls on profits, employee compensation and dividends. Dividends during the year ending October 13, 1978 may not exceed \$1.09 per share. Management is of the opinion that the company is in compliance with the requirements of the anti-inflation legislation.

Dome Mines Limited

SCHEDULE OF SUPPLEMENTARY INFORMATION (in thousands, except per share data)

	December 31, 1977				December 31, 1976			
	Dome Mines Limited	Campbell Red Lake Mines Limited	Sigma Mines (Quebec) Limited	Consolidated Dome Mines Limited	Dome Mines Limited	Campbell Red Lake Mines Limited	Sigma Mines (Quebec) Limited	Consolidated Dome Mines Limited
Dome Mines' ownership		57%	63%			57%	63%	
Bullion revenue	\$15,524	\$ 31,045	\$12,498	\$ 59,067	\$14,613	\$22,870	\$ 9,233	\$46,716
Operating expenses –								
Operating costs	13,966	9,779	9,558	33,303	13,982	8,679	8,491	31,152
Provision for depreciation and amortization	391	880	109	1,380	362	796	104	1,262
	<u>14,357</u>	<u>10,659</u>	<u>9,667</u>	<u>34,683</u>	<u>14,344</u>	<u>9,475</u>	<u>8,595</u>	<u>32,414</u>
Operating profit	1,167	20,386	2,831	24,384	269	13,395	638	14,302
Other income	2,524	2,385	519	5,428	2,209	2,474	415	5,098
	<u>3,691</u>	<u>22,771</u>	<u>3,350</u>	<u>29,812</u>	<u>2,478</u>	<u>15,869</u>	<u>1,053</u>	<u>19,400</u>
Outside exploration expenses	861	738	204	1,803	940	654	128	1,722
	<u>2,830</u>	<u>22,033</u>	<u>3,146</u>	<u>28,009</u>	<u>1,538</u>	<u>15,215</u>	<u>925</u>	<u>17,678</u>
Provision for income and mining taxes –								
Federal income tax	362	5,950	829	7,141	107	4,153	228	4,488
Provincial income taxes	168	1,850	307	2,325	43	1,324	84	1,451
Provincial mining taxes	90	3,871	311	4,272		2,535	24	2,559
	<u>620</u>	<u>11,671</u>	<u>1,447</u>	<u>13,738</u>	<u>150</u>	<u>8,012</u>	<u>336</u>	<u>8,498</u>
	<u>2,210</u>	<u>10,362</u>	<u>1,699</u>	<u>14,271</u>	<u>1,388</u>	<u>7,203</u>	<u>589</u>	<u>9,180</u>
Equity in earnings of Dome Petroleum Limited	24,739	767	382	25,888	12,287	370	186	12,843
Net income	26,949	11,129	2,081	40,159	13,675	7,573	775	22,023
Minority interest in net income of subsidiaries		(4,811)	(778)	(5,589)		(3,269)	(294)	(3,563)
Equity of Dome Mines in net income	<u>\$26,949</u>	<u>\$ 6,318</u>	<u>\$ 1,303</u>	<u>\$ 34,570</u>	<u>\$13,675</u>	<u>\$ 4,304</u>	<u>\$ 481</u>	<u>\$ 18,460</u>
Amount per share of Dome Mines Limited	<u>\$ 4.52</u>	<u>\$ 1.06</u>	<u>\$ 0.22</u>	<u>\$ 5.80</u>	<u>\$ 2.27</u>	<u>\$ 0.71</u>	<u>\$ 0.08</u>	<u>\$ 3.06</u>
Working capital:								
Current assets	\$19,233	\$38,235	\$10,368	\$65,451	\$18,273	\$33,852	\$ 7,740	\$ 58,006
Current liabilities	3,940	7,426	3,178	12,133	2,336	6,484	1,006	7,967
	<u>\$15,293</u>	<u>\$30,809</u>	<u>\$ 7,190</u>	<u>\$53,318</u>	<u>\$15,937</u>	<u>\$ 27,368</u>	<u>\$ 6,734</u>	<u>\$ 50,039</u>
Production:								
Tons milled	686	297	496		708	301	499	
Gold-fine ounces	94	191	78		120	185	75	

REPORT OF THE MANAGER
of
Dome Mines Limited
on
OPERATIONS AT SOUTH PORCUPINE, ONTARIO

To the Chairman of the Board, President and Directors:

I submit for your consideration this report on the operations of your Company for the year 1977.

During the year 685,800 tons of ore were treated in the mill. In the course of mining operations 9,100 tons of waste rock were excavated, most of which was used as backfill, road maintenance or placed on surface stock piles.

The 685,800 tons of ore milled yielded 94,261 ounces of gold, the yield being 0.1374 ounces or 2.75 dwt. per ton.

All grades of ore will be expressed in pennyweights (dwt.) throughout this report. One pennyweight equals one-twentieth (1/20th) of an ounce Troy weight.

COSTS:

The expenditure on development was \$751,428 or \$1.09 per ton as compared with \$1,097,816 or \$1.55 per ton milled in 1976.

The expenditure on mining was \$9,177,758 or \$13.38 per ton as compared with \$8,943,669 or \$12.63 per ton milled in 1976.

The total operating charges for the year were \$13,966,260 or \$20.36 per ton as compared with \$13,982,124 or \$19.74 per ton milled in 1976.

The operating cost per ounce of gold produced was \$148.17 as compared with \$117.00 in 1976.

DEVELOPMENT:

SUMMARY OF DEVELOPMENT FOOTAGE BY LEVELS FOR THE YEAR 1977

Level	Drifts	Crosscuts	Drift and Crosscut Slab	Raises	Boxholes	Raise and Boxhole Slab	Totals	Diamond Drilling (Exploration and Direction of Mining)
Surface								
1st								
3rd								
5th								
6th								
7th				22		12	34	1,939
8th		166	36	165		17	384	
9th			10				10	3,812
10th	61		28	187			276	4,149
11th				188	84	30	302	668
12th				16			16	1,955
13th	346		21	122		10	499	8,912
14th								
15th								1,464
16th	207	63	58	172		29	529	
17th				171		14	185	1,866
18th	55	63	11	381	8	23	541	
19th	182		10				192	1,106
20th								
21st	188	32	10				230	
22nd	165						165	1,666
23rd								1,971
24th				35	81	22	138	2,951
25th						8	8	1,295
26th	169		10				179	4,189
27th								
TOTALS	1,373	324	194	1,459	173	165	3,688	37,943

DOM E MINES LIMITED

Development work amounted to 3,688 feet as compared with 5,529 feet in the previous year.

There was no development below the 26th level; development below the 16th level was 1,638 feet as compared with 2,368 feet in the previous year.

Diamond drilling amounted to 37,943 feet of underground core diamond drilling which compares with 55,097 feet in the previous year.

MINING:

The 685,800 tons of ore milled during the year were produced as follows:

	Tons	Average Grade Dwt. per Ton
From stopes	677,100	2.88
From development	<u>8,700</u>	<u>2.50</u>
	<u>685,800</u>	<u>2.87</u>

The following tabulation is presented to indicate the sections of the mine from which the ore came:

Source of Ore	Tons	Average Grade Dwt. per Ton	
8th level to surface, No. 3 shaft	17,910	5.19	Dev. and Stope Ore
9th level to 16th level, No. 3 shaft	367,497	2.86	Dev. and Stope Ore
Area serviced by No. 6 internal shaft	<u>300,393</u>	<u>2.74</u>	Dev. and Stope Ore
Total Mine	<u>685,800</u>	<u>2.87</u>	Dev. and Stope Ore
Ore from Ankerite veins	<u>24,120</u>	<u>2.78</u>	Dev. and Stope Ore
(included in the above)			

ORE RESERVES:

Ore reserves at the close of the year were estimated at 1,867,000 tons with an average grade of 4.42 dwt. as compared with 1,890,000 tons with an average grade of 4.54 dwt. for 1976.

	Tons — 1977	Tons — 1976	Tons — 1975
Unbroken ore	1,732,000	1,771,000	1,754,000
Broken ore	<u>135,000</u>	<u>119,000</u>	<u>179,000</u>
	<u>1,867,000</u>	<u>1,890,000</u>	<u>1,933,000</u>

The modest decrease of 23,000 tons (1.2%) in reserve tonnage, after having milled 685,800 tons in 1977, was accompanied by a marginal decrease in grade from 4.54 to 4.42 dwt. per ton.

MILL:

Following are the milling results:

Tons of ore treated	685,800 tons
Average tons per working day	1,965 tons
Average grade of ore treated	2.87 dwt. per ton
Recovery	2.75 dwt. per ton
Recovery percentage	95.77 %

CAPITAL EXPENDITURES:

The details of changes in plant buildings and equipment are as follows:

Mine equipment	\$ 91,507
Reduction equipment	181,307
Surface buildings and equipment	<u>59,865</u>
	\$332,679
Net book value of retirements	160
Net increase	<u>\$332,519</u>

GENERAL:

A 3.2% reduction in tons milled, due in large measure to an eight-day total shutdown for hoist repair in October coupled with a 17.5% reduction in millhead grade resulted in a 21.1% reduction in ounces produced compared with the previous year. The total operating costs for the year were fractionally lower than the previous year; however, the reduced tonnage resulted in a 3.1% increase in cost per ton milled and the significant reduction in ounces produced resulted in a cost per ounce of \$148.17, a 26.6% increase.

The following tabulation of Source of Ore illustrates the relative importance of the various mining methods used:

Source of Ore	Tonnage and (% of total)									
	1977	(%)	1976	(%)	1975	(%)	1974	(%)	1973	(%)
Stopping:										
Cut-and-fill	291,900	42.6	277,700	39.2	296,000	41.8	294,200	41.9	322,500	47.3
Shrinkage	5,200	0.7	9,700	1.4	22,900	3.2	28,200	4.0	57,600	8.4
Long-hole	380,000	55.4	410,800	58.0	363,000	51.3	316,800	45.2	268,900	39.4
Development	8,700	1.3	10,100	1.4	26,100	3.7	62,400	8.9	33,200	4.9
Totals	<u>685,800</u>	<u>100.0</u>	<u>708,300</u>	<u>100.0</u>	<u>708,000</u>	<u>100.0</u>	<u>701,600</u>	<u>100.0</u>	<u>682,200</u>	<u>100.0</u>

The number of tons of long-hole ore which has been drilled off but not blasted reached a new high of 660,000 tons on December 31, 1977.

The total number of employees increased from 534 at January 1, 1977 to 588 on December 31.

During the year the mill operated at or near capacity except for an eight-day shutdown occasioned by repairs to the #3 shaft service hoist. A large modern grinding unit was purchased to partially replace and permit repair, if deemed feasible, of the three original Hardinge ball mills which have been in continuous service at Dome since 1913.

The table on the page immediately following sets out expenditures of the Company and location of suppliers illustrating the direct and indirect effect that the Mining and Mineral Industry in general, and Dome Mines in particular, have on the livelihood of many Canadians.

The year under review was successful due in large measure to the cooperation, support and efficiency of the heads of departments and their staffs, together with the loyal service of employees. I acknowledge also the support and helpful counsel of the Chairman of the Board, the President, the Executive Vice-President and the Directors.

Respectfully submitted,

HARRY V. PYKE,
Manager.

South Porcupine, Ontario,
February 24, 1978.

**LIST OF EXPENDITURES OF THE COMPANY
AND THE LOCATION OF THE VARIOUS SUPPLIERS**

Total amount of wages and salaries		\$8,044,000	
Income taxes		530,000	
Other taxes (Provincial and Municipal)		306,000	
Workmen's Compensation Board of Ontario Assessments		1,115,000	
Unemployment Insurance		136,000	
Cost of Dome and Canada Pension Plans, Group Life Insurance, Sick Pay, Medical Plan and other employee benefits		799,000	
Total Equipment, Supplies and Services:			
Mine Equipment, Supplies and Services	\$2,135,000		
Mill Equipment, Supplies and Services	898,000		
Electric Power	756,000		
General Surface Equipment, Supplies and Services	1,876,000		
Natural Gas Heating	129,000	5,794,000	

Principal Cities and Towns in Canada which Benefit

Acton	Farnham	Missanabie	Sainte-Foy
Agincourt	Flin Flon	Mississauga	St. Boniface
Ajax	Fort Erie	Missoula	St. Catharines
Ayers Cliff	Fort Frances	Moncton	St. Jean
	Fredericton	Montreal	St. John's
Balmertown			St. Laurent
Barrie	Galt	New Liskeard	Sault Ste. Marie
Belleville	Gananoque	Niagara Falls	Scarborough
Bramalea	Gimli	Nobel	Schumacher
Brampton	Grimsby	Noranda	Senneterre
Brockville	Guelph	North Bay	Serpent Harbour
Burlington		North Sydney	Sherkston
	Haileybury	North Vancouver	Sioux Lookout
Calgary	Halifax		South Porcupine
Campbellford	Hamilton	Oakville	Sudbury
Cambridge	Hearst	Orillia	Swastika
Capreol		Ottawa	
Chaput-Hughes	Islington	Owen Sound	Thornbury
Chicoutimi			Thornhill
Clarkson	Kamloops	Peterborough	Thunder Bay
Cobalt	Kenora	Pickle Lake	Tillsonburg
Cochrane	King City	Plessisville	Timmins
Concord	Kingston	Pointe Claire	Toronto
Cooksville	Kirkland Lake	Porcupine	
Copper Cliff	Kitchener	Port Credit	Val d'Or
Creighton Mine		Port Hope	Val Gagne
	Lachine	Port Perry	Vancouver
Don Mills	Lachute	Prescott	Victoria
Dorval	LaSarre	Prince Albert	
Downsview	Leaside	Prince George	Warwick
Dryden	Lindsay		Waterloo
Dundas	London	Quebec	Watson Lake
			West Hill
Edmonton	Madsen	Red Lake	Weston
Elliot Lake	Maitland	Regina	Whitehorse
	Malton	Rexdale	Willowdale
	Markham	Richmond Hill	Windsor
	Matagami	Rouyn	Winnipeg
	Matheson	Roxboro	
			Yellowknife

Number of Communities, Companies and Individuals through whom Supplies and Services are purchased

	Communities	Companies and Individuals
Alberta	2	8
British Columbia	5	13
Manitoba	4	14
New Brunswick	2	4
Newfoundland	1	1
Northwest Territories	1	1
Nova Scotia	2	3
Ontario	91	726
Quebec	22	95
Saskatchewan	2	2
Yukon Territories	2	2
Great Britain	2	2
United States of America	20	32
	<u>156</u>	<u>903</u>

Dome Exploration (Canada) Limited

(Incorporated under the laws of Canada)

REPORT OF THE VICE-PRESIDENT

Toronto, Ontario,
February 11, 1978.

To the Chairman of the Board, President and Directors of
Dome Mines Limited:

The following report outlines briefly some of the major exploration projects undertaken by Dome Exploration (Canada) Limited during 1977. Participation in the various projects is shared amongst the companies of the Dome Group, depending upon the date of origin of the project and the jurisdiction in which it is located, as follows:

	Projects Originating Prior to Jan. 1, 1977	Projects Originating After Jan. 1, 1977		
		Ontario	Quebec	Elsewhere
Dome Mines Limited.....	40%	50%		50%
Dome Petroleum Limited.....	33%			
Campbell Red Lake Mines Limited.....	21%	50%		40%
Sigma Mines (Quebec) Limited.....	6%		100%	10%

The 1977 exploration program involved twenty-two major projects as well as eleven joint ventures with outside partners.

Included in the above are eleven new projects and twenty-two that were carried over from 1976. A number of the 1977 projects will continue in 1978.

On projects managed and financed solely by your Group, eighty-four exploration diamond drill holes were completed, 1,187 claims staked, 47 claims optioned and ground geophysical surveys carried out on five projects. Airborne electromagnetic surveys were carried out for a total of 1,950 line miles and airborne radiometric surveys for a total of approximately 2,700 line miles.

NOVA SCOTIA:

Four claim groups were staked. Two of these were examined for uranium and the other two will be explored for base metals in 1978.

Exploration continued, in a joint venture with two outside partners, on a large claim group covering a possible base-metal area. This particular program began with an airborne electromagnetic survey of 1,677 line miles and, in later stages, involved ground geophysical surveys and diamond drilling.

QUEBEC:

Detailed exploration was carried out on twelve major projects which involved ground geophysical surveys and seventeen drill holes.

The foregoing includes a new base-metal project and an optioned gold prospect on which a major drilling program was started.

ONTARIO:

Exploration was carried out on fourteen projects, three of which were joint ventures.

The above includes six on which diamond drilling programs were carried out, one on which ground geophysics was completed and one on which airborne and ground radiometric surveys were done. An airborne electromagnetic survey was carried out over a previously untested volcanic belt. A prospecting program resulted in the discovery of a small, new gold occurrence. Participations were initiated or maintained in three joint-venture programs involving the exploration of uranium, base-metal and gold prospects.

MANITOBA:

A uranium prospect is being maintained in good standing in southern Manitoba.

A ground follow-up program was completed to evaluate a number of airborne radiometric anomalies discovered during an airborne survey carried out during 1975.

WESTERN CANADA:

Participations were continued in three reconnaissance-type joint ventures in British Columbia and the Yukon.

One of these involved a new gold prospect on which a diamond drilling program was completed. Further drilling will be carried out on this project in 1978.

UNITED STATES:

During 1977, an exploration program was started in the western United States. A field office will be opened in Reno, Nevada, in early 1978.

A new joint venture was formed, with three other companies, to carry out exploration in western and southwestern United States.

Dome Mines Limited has a 33⅓% interest in a continuing exploration program in Alaska. Drilling was carried out on three prospects.

In addition to the above, joint-venture exploration, with two outside partners, continued in southeastern Alaska. On this project, surface exploration and drilling were carried out on a uranium prospect.

GENERAL:

In addition to the specific projects described above, a number of general reconnaissance projects, property examinations and evaluations were completed and in the course of this, 145 property offerings were considered.

Yours faithfully,

G. S. W. Bruce,
Vice-President.

FIVE-YEAR CONSOLIDATED REVIEW

	<u>1977</u>	<u>1976</u>	<u>1975</u>	<u>1974</u>	<u>1973</u>
Production:					
Tons milled/fine ounces (in thousands) –					
Dome Mines Limited	686/94	708/120	708/117	702/121	682/149
Campbell Red Lake Mines Limited	297/191	301/185	300/185	290/197	304/196
Sigma Mines (Quebec) Limited	496/78	499/75	497/73	498/73	521/78
Recovery value per ton –					
Dome Mines Limited	\$ 22.64	\$ 20.63	\$ 25.77	\$ 27.89	\$ 22.73
Campbell Red Lake Mines Limited	104.44	76.10	98.37	109.98	65.41
Sigma Mines (Quebec) Limited	25.18	18.51	22.73	23.81	15.61
Number of employees at year-end	1,331	1,258	1,455	1,447	1,369
Financial (in thousands; except per share):					
Bullion revenue	\$ 59,067	\$ 46,716	\$ 59,014	\$ 63,332	\$ 43,508
Operating expenses	34,683	32,414	29,817	25,159	19,869
Operating profit	24,384	14,302	29,197	38,173	23,639
Interest income from affiliate					314
Other income	5,428	5,098	4,677	4,777	2,681
	29,812	19,400	33,874	42,950	26,634
Deduct outside exploration expenditures	1,803	1,722	1,588	1,273	1,147
	28,009	17,678	32,286	41,677	25,487
Provision for taxes***	13,738	8,498	15,519	19,093	9,795
	14,271	9,180	16,767	22,584	15,692
Equity in earnings of affiliate*	25,888	12,843	8,451	5,666	2,587
Deduct minority interest	(5,589)	(3,563)	(5,805)	(7,271)	(4,516)
Net income for the year	\$ 34,570	\$ 18,460	\$ 19,413	\$ 20,979	\$ 13,763
Dividends declared	\$ 6,440	\$ 5,032	\$ 5,256	\$ 5,548	\$ 3,017
Per share:**					
Income before extraordinary items	\$ 5.80	\$ 3.06	\$ 3.32	\$ 3.59	\$ 2.36
Net income for the year	5.80	3.06	3.32	3.59	2.36
Dividends	1.00	0.80	0.90	0.95	0.52
Working capital at year-end	53,318	50,039	53,335	45,430	37,325
Total shareholders' equity at year-end	139,295	111,104	93,023	78,866	63,435
Total assets at year-end	174,151	138,212	122,206	109,822	81,869
Number of shareholders at year-end	7,029	7,444	7,938	7,768	6,206

* Restated to reflect the adoption of the equity method of accounting for the companies' investment in Dome Petroleum Limited after making a provision for deferred income taxes related to both tangible and intangible assets.

** Restated to reflect the 3 for 1 stock split May 10, 1974.

*** Provision for taxes has been restated to include provincial mining taxes previously included in operating expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FIVE-YEAR CONSOLIDATED REVIEW

During the period under review, gold production of the parent company operation at South Porcupine, Ontario, was gradually reduced from 149,000 ounces in 1973 to 94,000 ounces in 1977. Production from the subsidiary companies, Campbell Red Lake Mines Limited and Sigma Mines (Quebec) Limited, remained unchanged. Bullion revenue for the year 1977 was second highest in the history of the Company, being surpassed only by that of 1974.

Operating expenses continued to escalate throughout the period, largely as a result of increases in wage levels and costs of supplies, but also due in part to more expensive mining methods required as the mining operations are carried out at greater depths.

Taxation at both provincial and federal levels has also continued to increase and in 1977 amounted to 49.1% of the profits from mining operations as compared to 38.9% in 1973. These percentages do not include various municipal property and also sales taxes which are charged to costs of operation.

During the five-year period, equity in the earnings of Dome Petroleum Limited has increased from 20% of the total net income of Dome Mines Limited in 1973, to 75% in 1977, due to greatly increased earnings of Dome Petroleum and also to Dome Mines increased share ownership in this company. As a result of a share exchange agreement concluded in May 1976, Dome Mines' ownership increased from 20% to 26% of the issued shares of Dome Petroleum.

The Company received \$501,000 in dividends in 1977 from its investment in 945,912 shares or 19% of the issued shares of Canada Tungsten Mining Corporation Limited as compared to \$95,000 in 1976 and no dividends in the prior years under review. Substantially higher prevailing tungsten sale prices and increased operating efficiencies and mill recovery, resulted in a 134% increase in profits over the previous year. Dividend pay out of Canada Tungsten was however restricted by regulations of the Anti-Inflation Act.

The Company received \$900,000 in dividends from its investment in 1,000,000 shares or 7½% of the issued shares of Mattagami Lake Mines Limited compared to \$1,000,000 in 1976. Profits of this major zinc-copper producer were adversely affected by depressed markets and prices for its products.

The Company, during the years 1977, 1976 and the latter part of 1975, was subject to control on wages and dividends under the Anti-Inflation Act. Labour relations remained good and there were no strikes or lock-outs during the five-year period.

Directors and Executive Officers

The name and office held in the Company, principal occupation or employment as at December 31, 1977 and principal business affiliation of each director and executive officer of the Company are as follows:

<u>Name and Office in Company</u>	<u>Principal Occupation or Employment</u>	<u>Principal Business Affiliation</u>
A. BRUCE MATTHEWS, Chairman of the Board and a Director	Business Executive	Executive Vice-President, Argus Corporation Ltd., Investment Holding Company, Toronto, Canada.
F. WARREN PERSHING, Director	Investment Broker	Chairman of the Board, Pershing & Co. Inc., Members New York Stock Exchange Inc., New York, U.S.A.
JAMES B. REDPATH, President and a Director	Mining Executive	Chairman of the Board of subsidiary companies of Dome Mines Limited, Toronto, Canada.
WILLIAM F. JAMES, Director	Consulting Geologist	Partner, James & Buffam, Consulting Geologists, Toronto, Canada.
ALLEN T. LAMBERT Director	Banker	Chairman, The Toronto-Dominion Bank, Toronto, Canada.
FRASER M. FELL, Q.C., Secretary and a Director	Solicitor	Partner, Fasken & Calvin, Barristers & Solicitors, Toronto, Canada.
JOHN K. McCAUSLAND, Director	Business Executive	Retired Vice-President and Director, Wood Gundy Limited, Investment Company, Toronto, Canada.
G. ALEXANDER ADAMSON, Director	Chartered Accountant	Retired partner, Clarkson, Gordon & Co., Chartered Accountants, Toronto, Canada.
JOHN P. GALLAGHER, Director	Business Executive	Chairman of the Board and Chief Executive Officer of Dome Petroleum Limited, Calgary, Canada.
CLIFFORD L. MICHEL, Director	Attorney	Partner, Cahill Gordon & Reindel, New York, U.S.A.
MALCOLM A. TASCHEREAU, Executive Vice-President and a Director	Mining Executive	President of subsidiary companies of Dome Mines Limited, Toronto, Canada.
G. S. WALLACE BRUCE, Vice-President Exploration	Geologist	Company.
EDMUND J. ANDRECHECK, Vice-President	Accountant	Vice-President of subsidiary companies of Dome Mines Limited, Toronto, Canada.
ROBERT B. HUTCHISON, Treasurer	Accountant	Treasurer of subsidiary companies of Dome Mines Limited, Toronto, Canada.

Principal Markets for Company's Shares

The New York Stock Exchange and The Toronto Stock Exchange are the principal markets in which the Company's shares are traded. Shown below are the high and low sales prices for the Company's shares on these exchanges for the periods indicated.

New York Stock Exchange United States dollars	1977		1976	
	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>
First Quarter	52 ⁷ / ₈	42 ¹ / ₂	44 ¹ / ₂	32 ¹ / ₂
Second Quarter	49 ¹ / ₂	43 ¹ / ₂	45 ¹ / ₂	38 ⁵ / ₈
Third Quarter	56 ³ / ₄	45 ³ / ₈	42 ⁷ / ₈	32 ³ / ₄
Fourth Quarter	64 ¹ / ₂	54	46	37

Toronto Stock Exchange Canadian dollars	1977		1976	
	High	Low	High	Low
First Quarter	54½	43	43¾	33¾
Second Quarter	52	46	44	38
Third Quarter	60½	49	40½	32¾
Fourth Quarter	70½	58¾	46¾	36

Dividends Paid (Canadian dollars)

The dividends paid on the Company's shares for each quarterly period during 1976 and 1977 are shown below.

	1977			1976		
	Declared per share			Declared per share		
	Regular	Extra	Total	Regular	Extra	Total
First Quarter	\$0.20	\$ —	\$0.20	\$0.18	\$ —	\$0.18
Second Quarter	0.20	—	0.20	0.20	—	0.20
Third Quarter	0.20	—	0.20	0.20	—	0.20
Fourth Quarter	0.20	0.20	0.40	0.20	—	0.20
Total for year	<u>\$0.80</u>	<u>\$0.20</u>	<u>\$1.00</u>	<u>\$0.78</u>	<u>\$ —</u>	<u>\$0.78</u>

Annual report on Form 10-K

Copies of the Company's form 10-K Annual Report to the United States Securities and Exchange Commission are available to shareholders without charge by writing to Fraser M. Fell, secretary of the Company, P.O. Box 30, Toronto-Dominion Centre, Toronto, Ontario, Canada M5K 1C1.

