DOME MINES LIMITED

ANNUAL REPORT 1984

Comparative Highlights

(thousands of Canadian dollars, except per share)

	1984	1983	1982
Financial Results			
Revenue			
Mining	**$199,427**	$221,793	$171,204
Oil and gas	**$15,667**	$12,962	$11,408
Share of losses of Dome Petroleum	**$(55,697)**	$(290,947)	$(110,449)
Loss	**$(25,674)**	$(216,435)	$(74,628)
Cash provided by operating activities	**$59,214**	$93,383	$90,432
Financial Position			
Cash, short-term investments and bullion	**$75,856**	$66,772	$60,483
Shareholders' equity	**$159,505**	$140,198	$361,576
Per Share			
Loss	**$(0.36)**	$(3.09)	$(1.07)
Dividends	**$0.12**	$0.11½	$0.10
Production			
Ounces of gold	**430,676**	424,686	367,083
Oil and natural gas liquids (bbls)	**467,000**	430,000	366,000
Natural gas (mmcf)	**1,623**	1,330	1,299

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

The Company

Dome Mines Limited and its subsidiaries, Campbell Red Lake Mines Limited (57% owned) and Sigma Mines (Quebec) Limited (65% owned), are Canadian gold mining companies. In 1984, the Dome Mines Group produced 430,676 ounces of gold or approximately 16% of total Canadian production. Bullion is produced at the Dome Mine at South Porcupine, Ontario, the Campbell Mine at Balmertown, Ontario, the Detour Lake Mine in northeastern Ontario and the Sigma Mine at Val d'Or, Quebec. In addition, the Dome Mines Group has a 29⅓% interest in the Dee Gold Mine in Nevada. The Dome Mines Group also maintains an ongoing minerals exploration program.

The Dome Mines Group participates in the oil and gas sector through its investment in 66,780,500, or approximately 23%, of the outstanding common shares of Dome Petroleum Limited. Direct participating interests in oil and gas production and exploration in western Canada are held by Campbell and Sigma.

Dome Mines has 80,606,053 issued Common Shares of which 30,861,184, or approximately 38%, are owned by Dome Petroleum. The shares are listed for trading on The Toronto Stock Exchange, the New York Stock Exchange, the Montreal Exchange and the Paris Bourse.

Contents

Report of the Directors to the Shareholders

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

The lower gold prices had a severe impact on Dome Mines' financial performance and more than offset the effect of the weaker Canadian dollar. Consolidated income for 1984, before an equity accounted loss on Dome Mines' investment in Dome Petroleum Limited, decreased to $23.3 million from $74.5 million in 1983. After accounting for its share of Dome Petroleum's loss, Dome Mines had a consolidated loss for 1984 of $25.7 million ($0.36 per share) compared to a consolidated loss of $216.4 million ($3.09 per share) in 1983. Dividends of $0.12 per share were declared during the year compared to $0.11½ in 1983.

During 1984, the Dome Mines Group produced 430,676 ounces of gold or approximately 16% of total estimated Canadian production. Consolidated revenue per ounce in 1984 averaged U.S.$357 compared to U.S.$423 in 1983. To protect the Company's profit position, should the downward trend of gold prices continue through 1985, a substantial portion of planned 1985 production has been sold forward.

Production from the Dome Mine at South Porcupine, Ontario was 118,472 ounces in 1984, compared to 100,602 ounces in 1983, excluding the 37,418 ounces recovered in 1983 from plant and equipment replaced as part of the mill expansion. The average operating cost per ounce in 1984, including depreciation, was U.S.$276 compared to U.S.$313 in 1983, excluding the effect of the additional ounces recovered. The reduction in operating cost per ounce is mainly attributable to expanded production at the mine.

In 1984, gold production from the Campbell Mine was 213,946 ounces at an average operating cost per ounce, including depreciation, of U.S.$108 compared to 219,200 ounces in 1983 at an average operating cost per ounce of U.S.$102.

The Detour Lake Mine, northeast of Timmins, Ontario commenced commercial production on November 1, 1983 and experienced difficulties with mill tonnage and grade throughout 1984. Campbell has a 50% interest in, and is the operator of, the Detour Lake Mine. In 1984, Campbell's share of production was 39,479 ounces which were produced at a cash operating cost per ounce of U.S.$345.


C. Henry Brehaut (left) and Fraser M. Fell

In April, 1985, a decision was made to divide the development of the underground mine into two stages. The first stage of the underground development program will include continued sinking of the production shaft to 2,000 feet. The first stage has a scheduled completion date of September 1, 1986 and a decision whether or not to proceed with the second stage will be made at that time. If the second stage is approved, underground production would commence during the first quarter of 1988.

Open-pit operations will be continued based on a revised mining plan which reflects the decision to fund the cost of the first stage of the underground development program out of operating cash flows. Campbell has sold forward most of its share of planned 1985 gold production at a minimum price of U.S.$341 per ounce. Pit operations are expected to continue through to the third quarter of 1986, resulting in an interruption in production of up to

17 months if the second stage of the underground program proceeds. However, improvements in gold prices or other factors could result in a shortening of this period.

Sigma's gold production in 1984 was 57,160 ounces compared to 61,529 ounces in 1983. Operating cost per ounce at the Sigma Mine, including depreciation, averaged U.S.$297 compared to U.S.$272 in 1983.

The Dome Mines Group, through Dome Nevada Ltd., has a 29⅓% interest in the Dee Gold Mine, an open pit gold mine near Boulder Creek, Nevada, which commenced operations in October, 1984. The Group's share of production in 1984 was 1,799 ounces and in 1985 is expected to be 10,895 ounces.

Exploration expenditures by the Dome Mines Group in 1984 aggregated $12.5 million. Dome Mines will fund up to $6.0 million of its share of 1985 exploration expenditures in Canada by the issue of flow-through Common Shares. During 1984, gold mineralization was discovered at the Dona Lake property of Dome and Campbell near Pickle Lake, Ontario. Preliminary studies indicate a mineral inventory of 1.5 million tons at an estimated mining grade of 0.23 ounces of gold per ton. It is anticipated that an underground exploration program will be undertaken at this site in 1985.

During 1984, Campbell and Sigma continued their direct participation in oil and gas exploration, development and production in western Canada. Operating cash flow from Campbell and Sigma's oil and gas properties, before income taxes, was $11.0 million in 1984 compared to $8.8 million in 1983. Income, before income taxes, amounted to $3.5 million in 1984 compared to $4.5 million in 1983 as the increase in net revenue was more than offset by increased depletion charges. Campbell and Sigma will benefit from the recently announced agreement between the Governments of Canada, Alberta, Saskatchewan and British Columbia on oil and gas pricing and taxation.

The Dome Mines Group holds approximately 23% of the outstanding shares of Dome Petroleum Limited. At April 23, 1985 this investment had a market value of $227.1 million. Dome Petroleum's Debt Rescheduling Agreement has been implemented and its debt repayments extended over a 12-year period. In conjunction with implementation of the Agreement, the term of the Dome Energy loan was extended to December 31, 1995 and the term of the Dome Mines Guarantee of $225 million of that loan was extended to January 8, 1996. As consideration for this Guarantee, Dome Mines received fees of $10.8 million from Dome Petroleum in 1984 and will continue to receive a gross fee of $900,000 per month or part thereof while the Guarantee remains in place at the existing level. After several years of uncertainty, Dome Mines has much greater confidence in the future of Dome Petroleum. Dome Petroleum has filed a preliminary prospectus with respect to a proposed underwritten public offering of 30,000,000 units, with each unit being comprised of one common share of Dome Petroleum and one half warrant to purchase a common share of Dome Petroleum. Dome Mines has agreed with Dome Petroleum to purchase $21.8 million of this proposed offering.

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

Fraser M. Fell
Chairman and
Chief Executive Officer
April 23, 1985

C. Henry Brehaut
President and
Chief Operating Officer

Review of Operations

Mining

Dome Mine

	1984	1983	1982
Ounces of gold			
From mine production	118,472	100,602	85,201
Recovered from mill equipment	—	37,418	—
Total ounces of gold	118,472	138,020	85,201
Tons of ore milled	860,000	762,000	708,000
Average grade treated (ounces per ton)	0.142	0.138	0.126

The Dome Mine, an underground gold mine at South Porcupine, Ontario has continuously operated since 1910. Since 1981, a program has been underway to expand mill throughput by approximately 50 percent to 3,000 tons per day. All major construction work associated with this program was completed in 1984. Prior to the completion of all facilities, the amount of ore mined through existing underground facilities was increased to the extent practicable to take advantage of the additional milling capacity provided by the commissioning of the new grinding section in 1982. The milling rate in 1984 averaged 2,407 tons per day, an increase of 13% over 1983. As a result of the additional capacity and higher than anticipated grades, gold production from the mine increased 18%. Mill recovery improved to 97% in 1984 from 95.7% in 1983.

Mine operating costs, including depreciation, averaged $49.30 per ton milled or $358 (US$276) per ounce. Operating costs per ton decreased in 1984, primarily due to efficiencies gained by treating higher tonnage. Cost per ton by major activity was as follows:

	1984	1983	1982
Development	$ 4.24	$ 4.09	$ 3.36
Mining	25.67	26.08	24.69
Milling	7.71	8.44	7.36
General services	4.02	4.05	2.97
Administration	3.89	4.82	4.09
Depreciation and amortization	3.77	2.36	1.83
	$49.30	$49.84	$44.30

The source of ore by mining methods was as follows:

	1984	1983	1982
Stoping			
Cut-and-fill	36%	33%	33%
Longhole	57	61	59
Development	7	6	8
	100%	100%	100%

During 1984, underground diamond drilling amounted to 55,612 feet, most of which was in support of mine planning, stope development and mine exploration activities. Development work in 1984 amounted to 23,613 feet of drifting, crosscutting and raising.

At December 31, 1984, proven extractable reserves, after allowing for dilution, were as follows:

	1984	1983	1982
Total reserves, including broken ore (000's of tons)	2,629	2,600	2,142
Grade (ounces per ton)	0.170	0.182	0.197

Lower grade ore not included in the reserves and ore not previously defined are mined as part of normal operating practices. This ore, when included in the mill feed, accounts for the average grade milled being lower than the reserve grade.

After more than 70 years of mining, over 50 percent of mill feed in 1984 was extracted above the 2,000 foot level. The lowest production level at the Dome Mine is the 4,000 foot elevation. The main geological structures have been traced to below the 4,000 foot level and are open to depth. Completion of the new No. 8 shaft has provided access to mineralized areas above the 5,100 foot level.

The capital cost of the expansion program is estimated to be $97,702,000. To December 31, 1984, $96,691,000 had been incurred. During 1984, the projected cost of the expansion increased by $1,060,000 primarily due to higher costs associated with completion of the underground facilities. Capital expenditures on the expansion program in 1984 totalled $10,333,000 and an additional $1,774,000 was spent on other capital projects.

Construction of the new tailings disposal area, three miles south of the Dome Mine, has been completed and it is now receiving tailings.

At the Dome Mine, production and maintenance employees are unionized and represented by the United Steelworkers of America. A two year contract, which will expire on April 17, 1986, was negotiated in 1984.

In 1984, the compensable accident frequency for the Dome Mine was 4.4 lost-time injuries per 200,000 man hours worked, compared to 2.0 in 1983 and an industry average of 5.6 in 1984. In terms of accident severity, measured in days lost from work, the Dome Mines' record was one of the lowest in the industry.

Haulageway at the Dome Mine, South Porcupine.

Campbell Mine

	1984	1983	1982
Ounces of gold	213,946	219,200	217,158
Tons of ore milled	395,000	389,500	392,000
Average grade treated (ounces per ton)	0.573	0.598	0.593

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

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

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

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

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

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

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

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

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

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

Detour Lake Mine

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

After depreciation charges of $5,669,000, the Company's consolidated share of the Detour Lake Mine operating loss in 1984 was $5,069,000. Mine operating costs, including depreciation determined on a consolidated basis, averaged $53.23 per ton milled in 1984 or $591 (U.S.$455) per ounce. The cash cost per ounce was $447 (U.S.$345).

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

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

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

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

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

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

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

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

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

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

Sigma Mine

	1984	1983	1982
Ounces of gold	56,980	61,529	64,724
Tons of ore milled (000's)	478	481	486
Average grade treated (ounces per ton)	0.124	0.137	0.139

During 1984, the mill treated 478,200 tons of ore and produced 56,980 ounces of gold compared to 61,529 ounces in 1983 and 64,724 ounces in 1982. Gold production in both 1983 and 1982 reflects unusually high grades. The lower mine grades in 1984 were in line with expectations. Mill recovery was 96.3% in 1984. Planned production for 1985 is 57,300 ounces of gold.

Mine operating costs in 1984, including depreciation, averaged $45.92 per ton milled or $385 (U.S.$297) per ounce. Operating costs per ton increased 7% in 1984 due to negotiated wage increases, general inflation and the additional cost of operating the Sigma No. 2 Mine.

Of tonnage milled in 1984, 461,596 tons at an average grade of 0.127 ounces of gold per ton were mined from the Sigma Mine and 16,613 tons at an average grade of 0.070 ounces per ton from the Sigma No. 2 Mine. The ore from Sigma No. 2 included 6,375 tons at a grade of 0.048 ounces per ton from an old low grade stockpile mined by previous owners.

Preproduction stripping at the Sigma No. 2 Mine began early in 1984 and the mining of ore commenced in September. A total of 176,000 tons of waste was moved and 23,687 tons of ore were mined during the year. Pit operations were terminated for the winter and a stockpile of 12,449 tons was on hand at year end for millfeed until mining resumes in the spring of 1985.

During 1984, underground diamond drilling amounted to 68,927 feet in support of mine planning and mine exploration activities compared to 61,580 feet in 1983 and 68,903 in 1982. In 1984, development footage totalled 7,788 feet, including 1,053 feet to drive north to the "T" zone on the 29th level. This work and subsequent diamond drilling confirmed the existence of a quartz vein but the gold content was found to be uneconomic.

Development and diamond drilling of the "R" zone continued in 1984. Intersections of mineable grade and length have been outlined by drifting on the 39th level and the structures will be tested by drifting on the 40th level during 1985.

At December 31, 1984, proven extractable ore reserves, at the Sigma Mine, after allowing for dilution, were as follows:

	1984	1983	1982
Reserves in place (000's of tons)	984	978	1,011
Grade of reserves in place (ounces per ton)	0.198	0.196	0.196
Broken ore reserves (000's of tons)	231	192	177

At December 31, 1984, probable ore reserves at the Sigma No. 2 Mine, based on surface diamond drilling and surface sampling, were estimated to be 592,000 tons at an average grade of 0.087 ounces per ton.

Lower grade ore not included in reserves and ore not previously defined are mined as part of normal operating practices. The inclusion of such ore in millfeed each year accounts for the average grade milled being lower than the reserve grade.

Capital expenditures in 1984 totalled $794,000, of which preproduction expenditures at the Sigma No. 2 Mine amounted to $511,000.

In 1984, the frequency of compensable accidents increased to 6.0 per 200,000 manhours worked compared to 3.2 in 1983; however, compensable accidents in 1984 were of reduced severity. The frequency of compensable accidents in the Quebec mining industry averaged 8.8 per 200,000 manhours in 1984.

Effective June 30, 1984, a two year labour agreement was negotiated with the hourly employees represented by Le Syndicat des Employés de Les Mines Sigma (Québec) Limitée. The contract provides for hourly wage rate increases of 3.6% in the first year and 3.4% in the second year.

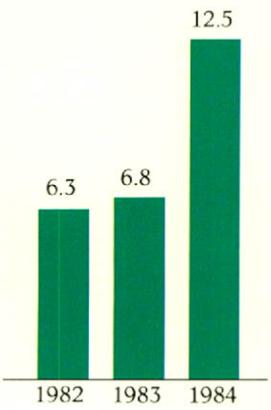
Dee Gold Mining Co.

The Dome Mines Group has a 29⅓% interest in Dee Gold Mining Co., a Nevada partnership. The Dee Gold Mine is an open pit gold mine near Boulder Creek, Nevada, with a rated mill capacity of 850 tons per day. Construction was completed in 1984 at a total cost of U.S.$21,016,000. During 1984, capital expenditures totalled U.S.$10,309,000, of which the Dome Mines Group's share was Cdn.$4,162,000.

Production officially commenced on October 15, 1984. To December 31, 1984, 65,000 tons were milled at a grade of 0.131 ounces of gold per ton. The Dome Mines Group's share of production was 1,799 ounces, net of royalty. The Dome Mines Group's share of planned 1985 production will approximate 10,900 ounces of gold.

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

Mineral Exploration
($ Millions)



Mineral exploration

The Dome Mines Group conducts a joint program of mineral exploration in Canada and the United States. Dome Mines and Campbell participate equally in mineral exploration programs in Ontario. Sigma undertakes all new exploration projects in Quebec and does not participate in mineral exploration projects in Ontario. In the rest of Canada and in the United States, participation is generally Dome Mines 50%, Campbell 40% and Sigma 10%. With respect to the 1985 exploration program, Sigma has elected not to participate in new programs in Canada outside Quebec.

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

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

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

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

In Quebec, Sigma carried out work on nine properties, including a major drilling program on the property of Wesdome Resources Limited. Although the program did not result in any significant increase in the mineral inventory on the property, several new zones of low-grade gold mineralization were discovered and will require further testing at a future date.

Sigma has acquired an option from Société d'Exploration Minière Vior Inc. on a 77-claim property which is located approximately 70 miles northwest of Val d'Or. Preliminary drilling has indicated encouraging gold mineralization and Sigma is committed to a $500,000 exploration program commencing in 1985. Additional rights in the area have also been acquired.

Oil and Gas

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

Oil and gas revenues increased 21% to $15,667,000 in 1984 as a result of increased production and higher prices. Sales of oil represented 74% of total oil and gas revenues during 1984.

Operating income has declined over the past three years, principally as a result of the costs associated with increased depletion charges and increased operating activity. Cash flow from oil and gas operations was $10,977,000 in 1984, $8,823,000 in 1983 and $7,947,000 in 1982.

At December 31, 1984, Campbell and Sigma had a net working interest of 170 producing wells, of which 109 were oil and 61 were gas. Oil and gas fields in Alberta accounted for approximately 85% of crude oil production and approximately 92% of natural gas production in 1984.

Production for the three years ended December 31, 1984, before freehold, override and Crown royalties, was as follows:

	1984	1983	1982
Oil and natural gas liquids (000 bbls)	467	430	366
Natural gas (mmcf)	1,623	1,330	1,299

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

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

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

Oil and gas capital expenditures were $7,819,000 in 1984 compared to $3,206,000 in 1983 and $13,217,000 in 1982 including capitalized interest of $695,000 in 1984, $307,000 in 1983 and $5,788,000 in 1982. The level of expenditures in 1983 and 1982 was affected by reduced direct activity by Dome Petroleum and an increased number of farmouts by Dome Petroleum. In 1983, Campbell and Sigma each elected not to participate in Dome Petroleum's farmouts to Dome Canada Limited and Home Oil Company Limited.

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

	Proved developed	Proved undeveloped	Total
Oil and natural gas liquids (000 bbls)	5,135	1,123	6,258
Natural gas (bcf)	33.1	33.7	66.8

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

	Gross working interest	Net working interest	Gross royalty interest
	(thousands of acres)		
Alberta	8,782	245	360
British Columbia	1,173	30	3
Manitoba	1,093	46	–
Ontario	49	1	–
Saskatchewan	2,513	94	73
Mackenzie Valley	3,772	72	2,184
Total	17,382	488	2,620
Developed	2,168	53	297
Undeveloped	15,214	435	2,323

Of total net working interest acreage approximately 42% is mineral title land for which Campbell and Sigma hold mineral rights in perpetuity.

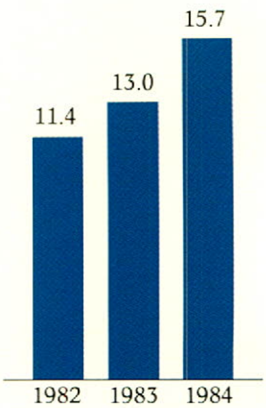
On March 28, 1985, an agreement of understanding regarding energy pricing and taxation was reached between the Governments of Canada, Alberta, Saskatchewan and British Columbia. Objectives of the agreement include the promotion of new investment and the taxation of earnings rather than revenues.

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

The Petroleum and Gas Revenue Tax ("PGRT") on existing production, which is effectively 12% at present, will be phased out by 1989. In 1984, Campbell's and Sigma's PGRT amounted to $1,378,000. The effective rate of PGRT on

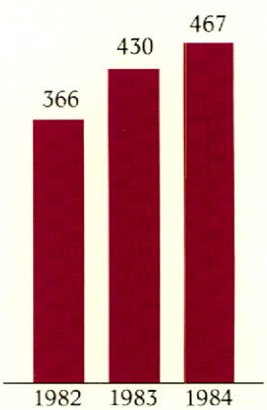
Oil and Gas Revenue

($ Millions)



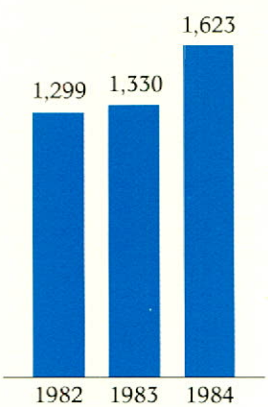
Oil Production

(Bbls — 000s)



Gas Production

(Mmcf)



existing production will be 10% in 1986, 8% in 1987, 6% in 1988 and will be eliminated in 1989. PGRT will not apply to new production commencing on or after April 1, 1985.

Further disclosure of oil and gas producing activities is included under the heading "Unaudited Supplementary Information — Oil and Gas" (see page 67).

Dome Petroleum Limited

At April 23, 1985, Dome Mines and a wholly-owned subsidiary owned 63,387,500 (21.6%) and Campbell and Sigma owned an additional 2,315,000 (0.8%) and 1,078,000 (0.4%), respectively, of the outstanding common shares of Dome Petroleum. Dome Petroleum has filed a preliminary prospectus with respect to a proposed underwritten public offering of 30,000,000 units, with each unit being comprised of one common share of Dome Petroleum and one half warrant to purchase a common share of Dome Petroleum. Dome Mines has agreed with Dome Petroleum to purchase $21.8 million of this proposed offering.

Dome Petroleum Debt Rescheduling

As a result of a severe cash flow shortfall during 1982, Dome Petroleum approached its principal Canadian bankers and the Government of Canada for assistance. As a result, in September, 1982, an Agreement in Principle for restructuring Dome Petroleum's debt and increasing its capitalization was reached with its principal Canadian bankers, the Government of Canada and Dome Mines. Dome Petroleum continued to pursue alternative methods of improving its financial position and on December 1, 1983, presented to its lenders a plan (the "Plan") which contemplated a rescheduling of its debt, an injection of funds through the issue of equity-related securities and the disposition of certain assets including a significant portion of its investment in Dome Mines. During the period following the presentation of the Plan, Dome Petroleum continued negotiations with certain of its lenders. In August, 1984, Dome Petroleum signed an agreement (as amended, the "Debt Rescheduling Agreement") under which approximately $5.3 billion of Dome Petroleum's debt was rescheduled over a twelve year period extending to 1995. Dome Petroleum's remaining long-term debt of $1.1 billion continues to be repayable on its existing schedule. The Agreement in Principle expired October 1, 1984.

Concurrently with the implementation of the Debt Rescheduling Agreement on February 5, 1985, Dome Petroleum reached agreement with Revenue Canada — Taxation to pay its 1982 and 1983 PGRT liability over the five year period beginning January 2, 1986 and with Dome Canada to reschedule certain obligations over the five year period beginning January 2, 1986. The Governments of Canada and Alberta provided remission orders with respect to income taxes payable by Hudson's Bay Oil and Gas Company Limited (a wholly-owned subsidiary of Dome Petroleum Limited).

The Debt Rescheduling Agreement contains certain new financial and other covenants. The more significant covenants and other provisions of the Debt Rescheduling Agreement are described under the heading "Debt Rescheduling Agreement" in note 7 to the Dome Petroleum consolidated financial statements, beginning at page 46.

Dome Mines Guarantee

In connection with the completion by Dome Petroleum of its acquisition of Hudson's Bay Oil and Gas Company Limited, Dome Mines, on March 10, 1982, guaranteed to a maximum of Cdn. $250,000,000 a bank loan (the "Dome Energy Loan") of U.S. $1,000,000,000 and Cdn. $50,000,000 made by Bank of Montreal, Canadian Imperial Bank of Commerce, The Royal Bank of Canada and The Toronto-Dominion Bank (the "T-D Bank") (collectively, the "Four Banks") to Dome Energy Limited, a wholly-owned subsidiary of Dome Petroleum.

As security for the repayment to Dome Mines of any amount paid by Dome Mines under its Guarantee, Dome Petroleum and its wholly-owned subsidiary, Provo Gas Producers Limited, pledged their joint and several demand debenture, secured by a fixed and specific charge on their interests in certain Beaufort Sea acreage. In addition, as guarantor, Dome Mines has subrogation rights in the security taken by the Four Banks for the Dome Energy Loan. The value to Dome Mines of its subrogation rights is dependent upon there being realizable security available to it after payment to the Four Banks of all amounts owing under the Dome Energy Loan. Neither the amount of such realizable security nor the value of Dome Mines' debenture security is now determinable by Dome Mines.

In November, 1983, the maximum amount of the Guarantee was reduced from $250,000,000 to $225,000,000 in connection with the sale of certain security for the Dome Energy Loan and application of the proceeds of disposition to reduce the principal amount of that loan.

Dome Mines' Guarantee is supported by a $225,000,000 standby line of credit with the T-D Bank, which standby credit has been assigned to the Four Banks. As security for this standby credit, Dome Mines is obligated to pledge to the T-D Bank, Campbell shares having a market value of at least 140% of the outstanding balance of the standby credit. At April 23, 1985, 16,000,000 common shares of Campbell were pledged.

In conjunction with the implementation of Dome Petroleum's Debt Rescheduling Agreement, the term of the Dome Energy Loan was extended to December 31, 1995. The term of the Guarantee was correspondingly extended to January 8, 1996. As part of the arrangements relating to the Debt Rescheduling Agreement and the Guarantee amendments, Dome Petroleum has covenanted to the Four Banks to sell, by December 31, 1986, at least 10,000,000 of the 30,861,184 Common Shares of Dome Mines which it owns. Dome Petroleum has further undertaken to Dome Mines not to sell or otherwise dispose of all or any portion of the Common Shares of Dome Mines that it owns without first giving to Dome Mines reasonable notice of its intention to effect any such sale or disposition, stating the proposed methodology. In effecting the sale or disposition of its Dome Mines shares, Dome Petroleum will afford to Dome Mines, or its affiliates, all reasonable opportunity of participating as a buyer so long as, in the opinion of the directors of Dome Petroleum, such participation is not detrimental to the interests of Dome Petroleum or its shareholders. In addition, Dome Mines has certain rights of consent with respect to sales of Dome Mines Common Shares owned by Dome Petroleum.

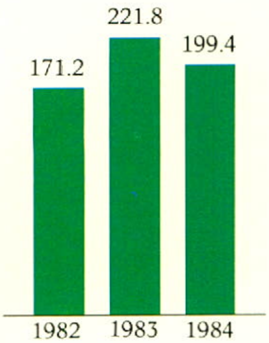
Negotiations between Dome Mines, Dome Petroleum and the Four Banks with respect to the implementation of the Debt Rescheduling Agreement and the extension of the Guarantee were carried out on behalf of Dome Mines by an independent committee of Dome Mines directors appointed by the Dome Mines Board for this purpose. The committee was assisted in its deliberations by independent financial advisors.

For providing the Guarantee during 1984, Dome Mines received fees of $10,800,000 from Dome Petroleum and is to continue to receive a gross fee of $900,000 per month, or part thereof, while the Guarantee remains in place at $225,000,000.

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

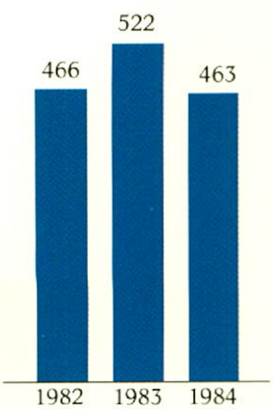
Bullion Revenue

($ Millions)



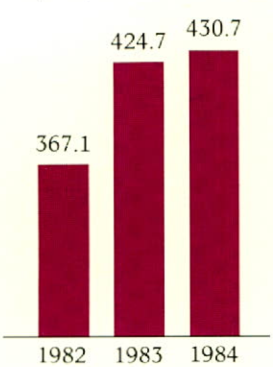
Revenue Per Ounce

($ Canadian)



Ounces of Gold

(000's)



Dome Mines incurred consolidated losses of $25,674,000 or $0.36 per share in 1984, $216,435,000 or $3.09 per share in 1983 and $74,628,000 or $1.07 per share in 1982. The losses are attributable to the Company's equity accounted share of the losses reported by Dome Petroleum. Mining operations remained profitable. Income after taxes, before other items, was $36,198,000 in 1984, $94,671,000 in 1983 and $54,670,000 in 1982. The losses reported by Dome Petroleum reduced Dome Mines' income by $55,697,000 in 1984, $290,947,000 in 1983 and $110,449,000 in 1982.

Mining

Mine production has increased in each of the last three years as a result of completion of the expansion at the Dome Mine and the bringing into production of the Detour Lake Mine in 1983 and the Dee Gold Mine in 1984.

	1984	1983	1982
Ounces of gold produced			
Dome Mine –			
Mine production	118,472	100,602	85,201
Recovered from equipment	–	37,418	–
Campbell –			
Campbell Mine	213,946	219,200	217,158
Detour Lake Mine (1)	39,479	5,937	–
Sigma Mine	56,980	61,529	64,724
Dee Gold Mine (2)	1,799	–	–
	430,676	424,686	367,083

(1) Commercial production commenced November 1, 1983; ounces produced represent Campbell's 50% share of production only.
(2) Commercial production commenced October 15, 1984.

In 1984 and 1983, gold production at the Dome Mine rose as a result of increased tonnage and higher grades. Production in 1983 included 37,418 ounces of gold recovered from plant and equipment replaced as part of the mill expansion. Production in 1984 from the Detour Lake Mine reflects the first full year of production. At the Campbell Mine and the Sigma Mine, the number of ounces produced declined in 1984 as a result of treating lower grades of ore.

Although production increased, consolidated bullion revenue declined in 1984 as a result of lower gold prices. Revenue per ounce was $463 compared to $522 in 1983 and $466 in 1982.

	1984	1983	1982
	(thousands of Canadian dollars)		
Bullion revenue			
Dome Mine –			
Mine production	$ 54,809	$ 53,052	$ 40,242
Recovered from equipment	–	19,829	–
Campbell –			
Campbell Mine	99,134	113,962	100,550
Detour Lake Mine	18,246	2,767	–
Sigma Mine	26,469	32,183	30,412
Dee Gold Mine	769	–	–
	$199,427	$221,793	$171,204

Mine operating costs increased 28% in 1984, 17% in 1983 and 18% in 1982. Costs in 1984 include Campbell's share of a full year's operations at the Detour Lake Mine compared to two months operations in 1983. In addition, expenditures on outside mineral exploration increased in 1984.

Oil and gas

Oil and gas revenues increased 21% during 1984 to $15,667,000 from $12,962,000 in 1983, as a result of new wells brought on stream and higher prices. In 1984, operating costs increased 45%, principally as a result of increased depletion charges and increased operating activity.

Investments and other income

In 1983, the Dome Mines Group sold investments for gains of $35,556,000 before income taxes ($26,564,000 after taxes). In 1983, Campbell wrote off the cost of an investment in an oil and gas drilling fund as the wells drilled resulted in dry holes and non-commercial gas wells.

In 1984, Dome Mines received fees, net of related bank standby charges, of $10,321,000 from Dome Petroleum for guaranteeing a portion of a loan to Dome Energy Limited, a wholly owned subsidiary of Dome Petroleum. The fees, net of bank standby charges, were $11,183,000 in 1983 and $7,491,000 in 1982.

Canada Tungsten

Dome Mines' share of the loss reported by Canada Tungsten amounted to $1,173,000 in 1984 and $2,480,000 in 1983. The mine was closed January 22, 1983 but resumed production on December 1, 1983 at a reduced rate. During October, 1984 Canada Tungsten issued 715,000 common shares to the public, of which Dome Mines purchased 144,000 at a cost of $2,022,000. In addition, Dome Mines purchased from a third party 2,500 common shares at a cost of $35,000. Dome Mines owns approximately 20.2% of the outstanding common shares of Canada Tungsten.

Financial Condition

On October 16, 1984 the Company sold 3,000,000 Units, each consisting of one Common Share and a warrant to purchase 0.02 ounces of gold, at a price of $14.00 per Unit. The Units were not offered or sold in the United States. The Units entitle holders to purchase a total of 60,000 ounces of gold at U.S.$425 per ounce during the period ending October 16, 1989. The Company received net proceeds of $40,005,000, a portion of which was used to retire outstanding bank indebtedness.

Dome Mines has entered into an agreement for the private placement of flow-through Common Shares to finance up to a maximum of $6,000,000 of its 1985 mineral exploration program in Canada. Pursuant to this agreement, Dome Mines will issue up to 344,827 Common Shares during 1985. Sigma has also entered into an agreement, subject to certain conditions, for the private placement of flow-through common shares of Sigma to finance up to a maximum of $1,300,000 of its 1985 mineral exploration program in the Province of Quebec. The issue price per Sigma common share and the maximum number of such shares to be issued remain to be determined. The purchase price of flow-through shares is higher than market value, as tax deductions for Canadian exploration expenditures incurred are available to the purchaser of such shares and not the issuer.

During the past three years, capital expenditures of the Dome Mines Group totalled $194,001,000. Major mine expenditures included expansion of the Dome Mine and the bringing into production of the Detour Lake Mine. These expenditures are summarized as follows:

	1984	1983	1982
	(thousands of Canadian dollars)		
Mining —			
Dome Mine	$14,600	$30,975	$41,184
Campbell Mine	4,328	2,089	2,941
Detour Lake Mine	5,949	23,227	33,056
Sigma Mine	794	2,781	247
Dee Gold Mine	4,162	3,145	612
	29,833	62,217	78,040
Oil and gas	7,523	3,171	13,217
	$37,356	$65,388	$91,257

Capital expenditures were financed by internally generated funds and bank indebtedness. Total cash provided by operating activities was $59,214,000 in 1984, $93,383,000 in 1983 and $90,432,000 in 1982. Net proceeds on the sale of investments in 1983 amounted to $84,550,000.

Disclosure of the differences between Canada-United States generally accepted accounting principles is included in note 11 to the Consolidated Financial Statements of Dome Mines. For a discussion of the effects of changing prices see heading "Unaudited Supplementary Information — Effects of Changing Prices".

Investment in Dome Petroleum

Dome Mines' share of the 1984 loss reported by Dome Petroleum amounted to $55,697,000 compared to a loss of $290,947,000 in 1983. The investment in Dome Petroleum is accounted for by the equity method whereby the investment is carried at cost less the Company's share of Dome Petroleum's losses since the dates of acquisition. The Company's share of the losses reported by Dome Petroleum since the dates of acquisition exceeds the cost to Dome Mines of the investment. These losses and the existence of the Dome Mines Guarantee of Dome Petroleum's indebtedness have resulted in the carrying value of the investment in Dome Petroleum being reduced to a negative value of $90,692,000. As at April 23, 1985, the quoted market value of the investment, which is not necessarily indicative of realizable value, was $227,054,000 compared to its cost of $130,268,000.

In conjunction with the implementation of Dome Petroleum's Debt Rescheduling Agreement, the term of the Dome Energy Loan was extended to December 31, 1995. The term of the Guarantee was correspondingly extended to January 8, 1996.

Dome Mines' Guarantee is supported by a $225,000,000 standby line of credit with the T-D Bank, which standby credit has been assigned to the Four Banks. As security for this standby credit, Dome Mines is obligated to pledge to the T-D Bank, Campbell shares having a market value of at least 140% of the outstanding balance of the standby credit. At April 23, 1985, 16,000,000 common shares of Campbell were pledged.

Dome Petroleum has filed a preliminary prospectus with respect to a proposed underwritten public offering of 30,000,000 units, with each unit being comprised of one common share of Dome Petroleum and one half warrant to purchase a common share of Dome Petroleum. Dome Mines has agreed with Dome Petroleum to purchase $21.8 million of this proposed offering.

Management's Responsibility for Financial Reporting

To the Shareholders of Dome Mines Limited:

The accompanying consolidated financial statements of Dome Mines Limited and all information in the Annual Report are the responsibility of the Board of Directors and management of the Company. The financial statements have been prepared by management in accordance with generally accepted accounting principles in Canada which are in all material respects consistent with those in the United States, except as described in note 11 to the financial statements. The financial information presented throughout this Report is consistent with the data presented in the financial statements.

A system of internal accounting control is maintained in order to assure on a reasonable basis the reliability of this financial information. This system includes established policies and procedures, the selection and training of qualified personnel and an organization providing for appropriate delegation of authority and segregation of responsibilities. An annual budget is established against which performance is monitored, variations are investigated and corrective action taken where required.

The Board of Directors discharges its responsibilities for the financial statements primarily through the activities of its Audit Committee composed of five directors, none of whom are members of management. This Committee meets with management to assure that it is performing its responsibility to maintain financial controls and systems and to approve the annual financial statements of the Company. The Audit Committee also meets with the independent auditors to discuss the results of their audit, their review of internal accounting controls and their audit report prior to submitting the financial statements to the Board of Directors for approval.

The financial statements have been audited by Clarkson Gordon, whose appointment was ratified at the annual shareholders' meeting. The auditors' report outlines the scope of their examination and their opinion on the financial statements.

H. Douglas Scharf

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

April 23, 1985.

Auditors' Report

To the Shareholders of Dome Mines Limited:

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

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

Toronto, Canada
March 25, 1985.

Clarkson Gordon
Chartered Accountants

Comment by Auditors for United States readers on differences between Canadian and United States reporting standards.

The above opinion is expressed with standards of reporting generally accepted in Canada. On April 13, 1984, we commented that under United States reporting standards, our opinion on the 1983 and 1982 consolidated financial statements would have been qualified as being subject to the outcome of uncertainties related to the ability of Dome Petroleum Limited to continue as a going concern dependent upon the successful rescheduling of substantially all of its debt repayments, and Dome Mines Limited's guarantee of certain debt of Dome Petroleum Limited. As explained in note 7 to the accompanying financial statements of Dome Petroleum Limited, that company reached agreement with certain of its lenders to reschedule debt repayments. As a result, the uncertainties underlying our previous comment have been removed, and therefore under United States reporting standards, our present opinion on the accompanying consolidated financial statements of Dome Mines Limited would not have been qualified.

Toronto, Canada
March 25, 1985.

Clarkson Gordon
Chartered Accountants

Accounting Policies

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada which in the Company's case conform, in all material respects, with those generally accepted in the United States except as disclosed in note 11. The significant accounting policies are as follows:

Basis of consolidation

The consolidated financial statements include the accounts of subsidiary companies Sigma Mines (Quebec) Limited ("Sigma") (1984 and 1983 — 65.2% owned; 1982 — 66.2% owned) and Campbell Red Lake Mines Limited ("Campbell") (56.9% owned) including Campbell's 50% undivided interest in the assets, liabilities and expenses of the Detour Lake Mine, an unincorporated joint venture.

Inventories

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

Investments

Dome Petroleum Limited —

The investment in Dome Petroleum Limited ("Dome Petroleum") is accounted for by the equity method whereby the investment is carried at cost less the Company's share of losses of Dome Petroleum since the dates of acquisition. The excess of the cost of the investment over the underlying book value of Dome Petroleum at the dates of acquisition has been attributed to Dome Petroleum's Canadian oil and gas reserves and is amortized to income based on the proportion that Dome Petroleum's current production revenues are to current plus estimated future revenues from proved reserves.

Since Dome Mines and its subsidiaries owned, at December 31, 1984, 66,780,500 or approximately 24.0% of the common shares of Dome Petroleum and Dome Petroleum owned 30,861,184 or approximately 38.3% of the Common Shares of Dome Mines as at December 31, 1984, the Company has a 9.0% pro rata interest in its own shares. Accordingly, the investment in Dome Petroleum and shareholders' equity are reduced by the 9.0% pro rata interest in the cost to Dome Petroleum of its Dome Mines' shares, and the share of losses of Dome Petroleum reflected in the consolidated statements of loss is based on losses of Dome Petroleum excluding its share of earnings of Dome Mines. The portion of Dome Mines' dividends applicable to the 9.0% pro rata interest is deducted from dividends in retained earnings and added to the carrying value of the investment in Dome Petroleum.

Canada Tungsten Mining Corporation Limited —

Dome Mines owns 1,152,895 or approximately 20.2% of the common shares of Canada Tungsten Mining Corporation Limited ("Canada Tungsten") and accounts for this investment by the equity method.

Other investments —

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

Property, plant and equipment

Mining —

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

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

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

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

Oil and gas —

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

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

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

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

Mineral exploration and development

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

Capitalized interest

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

Income and mining taxes

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

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

Consolidated Statements of Loss

(thousands of Canadian dollars, except per share)

Dome Mines Limited

	Years ended December 31		
	1984	1983	1982
Revenue	**$215,094**	$ 234,755	$ 182,612
Operating costs	**150,200**	112,117	93,999
Operating income	**64,894**	122,638	88,613
Other income (note 4(b))	**15,830**	50,710	16,433
Income before taxes and other items	**80,724**	173,348	105,046
Income and mining taxes (note 8(a))	**44,526**	78,677	50,376
Income after taxes, before other items	**36,198**	94,671	54,670
Income (losses) related to associated companies:			
Share of losses of —			
Canada Tungsten (note 2)	**(1,173)**	(2,480)	(1,741)
Dome Petroleum (note 1)	**(55,697)**	(290,947)	(110,449)
Gain on issue of shares by Dome Petroleum	**6,724**		
Minority interest in net income of subsidiary companies	**(11,726)**	(17,679)	(17,108)
Loss	**$ (25,674)**	$(216,435)	$ (74,628)
Per share (note 6(b)):			
Loss	**$(0.36)**	$(3.09)	$(1.07)
Dividends	**$0.12**	$0.11½	$0.10

Consolidated Statements of Retained Earnings

(thousands of Canadian dollars)

	Years ended December 31		
	1984	1983	1982
Retained earnings, beginning of year	**$137,919**	$ 362,399	$447,109
Loss	**(25,674)**	(216,435)	(74,628)
Capital transactions:			
Costs of issuing Common Shares, net of income tax reduction of $1,138	**(1,094)**		
Share of capital transactions recorded by Dome Petroleum	**—**	—	(2,925)
	111,151	145,964	369,556
Dividends	**9,492**	8,924	7,760
Less portion applicable to Dome Mines' pro rata interest in its own Common Shares held by Dome Petroleum	**880**	879	603
	8,612	8,045	7,157
Retained earnings, end of year	**$102,539**	$137,919	$362,399

(See accompanying accounting policies and notes to consolidated financial statements)

Consolidated Balance Sheets

(thousands of Canadian dollars)

Assets	December 31 1984	1983
Current assets:		
Cash and short-term investments	**$ 61,257**	$ 57,542
Bullion settlements receivable	**612**	1,053
Bullion	**13,987**	8,177
Accounts receivable —		
Dome Petroleum	**—**	1,687
Other	**4,487**	2,802
Mining and milling supplies	**11,396**	9,699
Total current assets	**91,739**	80,960
Investments:		
Associated companies —		
Dome Petroleum (quoted market value: 1984 — $144,246; 1983 — $277,139) (note 1)	**(90,692)**	(56,036)
Canada Tungsten (quoted market value: 1984 — $16,141; 1983 — $15,341) (note 2)	**10,666**	9,832
Other (note 3)	**2,869**	2,869
Property, plant and equipment (note 4(a))	**394,284**	376,353
	$408,866	$413,978

(See accompanying accounting policies and notes to consolidated financial statements)

Liabilities and Shareholders' Equity	December 31 1984	 1983
Current liabilities:		
Accounts payable and accrued liabilities	$ 12,066	$ 12,799
Income and other taxes payable	19,835	29,342
Dividends payable —		
Dome Petroleum	926	926
Other shareholders	3,647	4,227
Total current liabilities	36,474	47,294
Long-term debt (note 5)	—	29,000
Deferred income and mining taxes	127,794	115,019
Minority interest in subsidiary companies	84,404	82,467
Deferred revenue (notes 6(a) and 10)	689	—
Contingencies and commitments (notes 1(d), 8(d) and 10)		
Shareholders' equity:		
Capital —		
Authorized:		
Unlimited Preferred Shares		
Unlimited Common Shares		
Issued:		
80,606,053 (1983 — 77,606,053) Common Shares (note 6)	76,501	35,251
Contributed surplus (note 7)	16,623	4,629
Retained earnings	102,539	137,919
	195,663	177,799
Less Dome Mines' pro rata interest in the cost of its own Common Shares held by Dome Petroleum	36,158	37,601
Total shareholders' equity	159,505	140,198
	$408,866	$413,978

On behalf of the Board:

Director

Director

Consolidated Statements of Cash Flows

(thousands of Canadian dollars)

	Years ended December 31		
	1984	1983	1982
Cash provided by operating activities:			
Loss	**$(25,674)**	$(216,435)	$ (74,628)
Items not affecting cash —			
Depreciation, depletion and amortization	**19,425**	9,656	6,528
Deferred income and mining taxes	**13,913**	32,607	16,136
Losses related to associated companies:			
Dome Petroleum	**48,973**	290,947	110,449
Canada Tungsten	**1,173**	2,480	1,741
Minority interest in net income of subsidiaries	**11,726**	17,679	17,108
Gain on issue of shares by a subsidiary	**—**	(762)	—
Gain on investments	**—**	(33,716)	—
	69,536	102,456	77,334
Net change in non-cash items related to operations —			
Accounts receivable	**2**	(487)	(2,711)
Mining and milling supplies	**(1,697)**	32	(1,016)
Accounts payable and accrued liabilities	**880**	779	533
Income and other taxes payable	**(9,507)**	(9,397)	16,292
Cash provided by operating activities	**59,214**	93,383	90,432
Cash provided by (used in) investment activities:			
Additions to property, plant and equipment —			
Mining	**(29,833)**	(62,217)	(78,040)
Less share issue by a subsidiary	**—**	1,871	—
Oil and gas	**(7,523)**	(3,171)	(13,217)
Canada Tungsten	**(2,007)**	—	453
Marketable securities	**—**	54,312	6,209
Other investments	**—**	30,085	3,855
Net change in accounts payable related to investment activities	**(944)**	(1,485)	(5,424)
	(40,307)	19,395	(86,164)
Cash provided by (used in) financing activities:			
Bank loan	**—**	(30,000)	30,000
Long-term debt	**(29,000)**	(58,100)	(7,200)
Issue of Common Shares	**39,018**	267	—
Deferred revenue	**689**	—	—
Dividends	**(10,072)**	(7,997)	(8,852)
Dividends paid by subsidiaries to minority interests	**(10,458)**	(10,659)	(7,723)
	(9,823)	(106,489)	6,225
Net increase in cash	**9,084**	6,289	10,493
Cash, beginning of year	**66,772**	60,483	49,990
Cash, end of year	**$ 75,856**	$ 66,772	$ 60,483
Changes in components of cash:			
Cash and short-term investments	**$3,715**	$ 7,417	$12,734
Bullion settlements receivable	**(441)**	(6,607)	1,554
Bullion	**5,810**	5,479	(3,795)
	$9,084	$ 6,289	$10,493

(See accompanying accounting policies and notes to consolidated financial statements)

1. Dome Petroleum Limited

(a) The audited consolidated financial statements of Dome Petroleum (see attached) are an integral part of these consolidated financial statements and are incorporated herein by reference.

(b) Details of the investment in Dome Petroleum are as follows:

	December 31	
	1984	**1983**
Number of common shares	**66,780,500**	66,780,500
	(thousands of Canadian dollars)	
Carrying value:		
Cost	**$ 130,268**	$ 130,268
Dome Mines' pro rata cumulative interest in its own dividends paid to Dome Petroleum	**7,531**	6,651
Share of losses of Dome Petroleum	**(192,333)**	(155,354)
	(54,534)	(18,435)
Less Dome Mines' pro rata interest in the cost of its own Common Shares held by Dome Petroleum	**36,158**	37,601
	$ (90,692)	$ (56,036)
Quoted market value (which is not necessarily indicative of realizable value)	**$144,246**	$277,139

The unamortized excess of the cost of the investment over underlying book value of Dome Petroleum at the dates of acquisition is $64,930,000 (1983 — $71,364,000).

Should Dome Petroleum incur further losses, the Company would continue recording its share of such losses of Dome Petroleum until the negative carrying value of the investment in Dome Petroleum equals the amount of the Dome Mines Guarantee (see note 1(d)).

(c) As described in note 2 to the Dome Petroleum consolidated financial statements, on December 31, 1983, Dome Petroleum and its equity accounted investee Dome Canada Limited segregated their investments in Frontier areas from their western Canada oil and gas lands and established separate cost centres. As a consequence, in 1983, certain Frontier costs were charged directly to income while other Frontier costs are being amortized over 15 years. Under the accounting policy followed prior to December 31, 1983, Frontier costs would have been included with other oil and gas property costs subject to depletion and amortized to income in accordance with Dome Petroleum's depletion policy for western Canada lands. This change in accounting policy by Dome Petroleum increased Dome Mines' 1983 consolidated loss by $83,281,000 or $1.19 per share.

Effective January 1, 1984, Dome Petroleum adopted foreign currency translation policies generally accepted in Canada. This change in accounting policy by Dome Petroleum increased Dome Mines' consolidated loss by $4,390,000 or $0.06 per share.

(d) In connection with the completion by Dome Petroleum of its acquisition of Hudson's Bay Oil and Gas Company Limited, Dome Mines, on March 10, 1982, guaranteed to a maximum of Cdn. $250,000,000 a bank loan (the "Dome Energy Loan") of U.S. $1,000,000,000 and Cdn. $50,000,000 made by Bank of Montreal, Canadian Imperial Bank of Commerce, The Royal Bank of Canada and The Toronto-Dominion Bank (the "T-D Bank") (collectively, the "Four Banks") to Dome Energy Limited, a wholly-owned subsidiary of Dome Petroleum.

As security for the repayment to Dome Mines of any amount paid by Dome Mines under its Guarantee, Dome Petroleum and its wholly-owned subsidiary, Provo Gas Producers Limited, pledged their joint and several demand debenture, secured by a fixed and specific charge on their interests in certain Beaufort Sea acreage. In addition, as guarantor, Dome Mines has subrogation rights in the security taken by the Four Banks for the Dome Energy Loan. The value to Dome Mines of its subrogation rights is dependent upon there being realizable security available to it after payment to the Four Banks of all amounts owing under the Dome Energy Loan. Neither the amount of such realizable security nor the value of Dome Mines' debenture security is currently determinable by Dome Mines.

In November, 1983, the maximum amount of the Guarantee was reduced from $250,000,000 to $225,000,000 in connection with the sale of certain security for the Dome Energy Loan and application of the proceeds of disposition to reduce the principal amount of that loan.

In conjunction with the implementation of Dome Petroleum's Debt Rescheduling Agreement (note 7 to the consolidated financial statements of Dome Petroleum) on February 5, 1985, the term of the Dome Energy Loan was extended to December 31, 1995. As at February 5, 1985, the outstanding balance of the Dome Energy Loan was approximately Cdn. $917,605,000.

Dome Mines' Guarantee is supported by a $225,000,000 standby line of credit (note 5) with the T-D Bank, which standby credit has been assigned to the Four Banks.

For providing the Guarantee, Dome Mines received fees of $10,800,000 in 1984 (1983 — $11,800,000, 1982 — $8,040,000) or $10,321,000 net of standby fee (1983 — $11,183,000, 1982 — $7,491,000) from Dome Petroleum and is to continue to receive a gross fee of $900,000 per month, or part thereof, during which the Guarantee remains in place at $225,000,000.

2. Canada Tungsten Mining Corporation Limited

Details of the investment in Canada Tungsten, which is accounted for by the equity method, are as follows:

	1984	1983
Number of shares	**1,152,895**	1,005,995
	(thousands of Canadian dollars)	
Carrying value:		
Cost	**$ 3,346**	$1,289
Equity in undistributed earnings	**7,320**	8,543
	$10,666	$9,832
Quoted market value (which is not necessarily indicative of realizable value)	**$16,141**	$15,341

In October, 1984 Canada Tungsten issued to the public 715,000 common shares of which Dome Mines purchased 144,400 at a cost of $2,022,000. In addition, Dome Mines purchased 2,500 common shares from a third party at a cost of $35,000.

3. Other investments

Details of other investments are as follows:

	1984	1983
	(thousands of Canadian dollars)	
With no quoted market value —		
Panarctic Oils Ltd., 820,807 (1983 — 753,911) common shares	**$2,308**	$2,375
Sundry	**561**	494
Total	**$2,869**	$2,869

4. Business segments

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

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

	1984	1983
	(thousands of Canadian dollars)	
Mining —		
Property, plant and equipment	**$208,196**	$184,061
Less accumulated depreciation, depletion and amortization	**47,043**	37,550
	161,153	146,511
Deferred exploration and development	**69,970**	66,688
	231,123	213,199
Current assets	**29,147**	20,243
	260,270	233,442
Oil and gas —		
Property, plant and equipment	**179,967**	172,443
Less accumulated depreciation and depletion	**16,806**	9,289
	163,161	163,154
Current assets	**926**	2,550
	164,087	165,704
Assets not allocated to segments —		
Current assets	**61,666**	58,167
Investments	**(77,157)**	(43,335)
	(15,491)	14,832
	$408,866	$413,978

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

	1984	1983	1982
	(thousands of Canadian dollars)		
Mining	**$29,833**	$62,217	$78,040
Oil and gas	**7,523**	3,171	13,217
	$37,356	$65,388	$91,257

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

	1984	1983	1982
	(thousands of Canadian dollars)		
Mining —			
Bullion revenue	**$199,427**	$ 221,793	$171,204
Operating costs:			
Mine, mill and plant	**97,531**	77,112	66,972
General and administrative	**9,674**	8,925	7,063
Depreciation, depletion and amortization	**11,909**	5,379	3,966
Outside mineral exploration	**12,459**	6,771	6,326
	131,573	98,187	84,327
Operating income	**67,854**	123,606	86,877
Oil and gas —			
Revenue	**15,667**	12,962	11,408
Operating costs:			
Operations	**2,553**	2,069	1,449
General and administrative	**738**	725	653
Depreciation and depletion	**7,516**	4,277	2,562
Revenue taxes	**1,399**	1,345	1,359
	12,206	8,416	6,023
Operating income	**3,461**	4,546	5,385
General corporate costs	**6,421**	5,514	3,649
Interest on long-term debt	**3,147**	6,836	17,369
Less interest capitalized	**(3,147)**	(6,836)	(17,369)
	6,421	5,514	3,649
Operating income	**64,894**	122,638	88,613
Other income —			
Interest	**3,906**	4,618	4,603
Dividends	**—**	286	4,616
Gain (loss) on investments	**—**	33,716	(365)
Guarantee fees (note 1(d))	**10,321**	11,183	7,491
Gain on issue of shares by a subsidiary	**—**	762	—
Other	**1,603**	145	88
	15,830	50,710	16,433
	80,724	173,348	105,046
Income and mining taxes	**(44,526)**	(78,677)	(50,376)
Income after taxes, before other item	**36,198**	94,671	54,670
Income (losses) related to associated companies:			
Share of losses of —			
Canada Tungsten	**(1,173)**	(2,480)	(1,741)
Dome Petroleum	**(55,697)**	(290,947)	(110,449)
Gain on issue of shares by Dome Petroleum	**6,724**	—	—
Minority interest	**(11,726)**	(17,679)	(17,108)
Loss	**$ (25,674)**	$(216,435)	$ (74,628)

(d) Acquisition costs of certain non-producing oil and gas properties excluded from assets for purposes of calculating depletion at December 31 were $19,834,000 in 1984, $43,977,000 in 1983 and $106,094,000 in 1982. All costs presently excluded will be added to depletable assets by December 31, 1985. Details of amounts excluded from the depletion calculation as at December 31, 1984 are as follows:

	Year Incurred			
	1984	1983	1982 and prior	Total
	(thousands of Canadian dollars)			
Acquisition costs	$—	$—	$16,923	$16,923
Capitalized interest	987	84	1,840	2,911
	$987	$84	$18,763	$19,834

Depreciation and depletion of capitalized oil and gas costs are calculated based on a percentage of oil and gas revenue. The rates were 48% in 1984, 32% in 1983 and 22% in 1982.

5. Long-term debt

In December, 1984 Dome Mines renegotiated its $125,000,000 revolving bank line of credit which now expires December 31, 1987. In addition, Dome Mines renegotiated its $225,000,000 bank standby credit in support of its Guarantee described in note 1(d). The standby credit expires on the earlier of the 40th business day following January 2, 1996 or the release of the Guarantee. As security for the standby credit, Dome Mines has agreed to pledge common shares of Campbell having a market value of at least 140% of the amount of the standby credit. There are 16,000,000 shares of Campbell pledged. In respect of the revolving credit facility, Dome Mines pays standby fees of ¼% and ½% per annum on the undrawn portion of the revolving and standby lines of credit, respectively.

6. Share capital and net income per share

(a) Common Shares

On October 16, 1984, the Company sold 3,000,000 Units, each consisting of one Common Share and a warrant to purchase 0.02 ounces of gold, at a price of $14.00 per Unit (see note 10). Proceeds from the sale of the warrants have been recorded as deferred revenue and will be included in income upon the exercise or expiry of the warrants.

Dome Mines has entered into an agreement for the private placement of flow-through Common Shares to finance up to a maximum of $6,000,000 of its 1985 mineral exploration program in Canada. Pursuant to this agreement, Dome Mines will issue up to 344,827 Common Shares during 1985.

(b) Net income per share

Net income per share is calculated using the weighted average number of Common Shares outstanding during the year (1984 — 71,012,200; 1983 — 69,950,394; 1982 — 69,520,962) after deducting the Company's pro-rata interest in its own Common Shares held by Dome Petroleum.

(c) Stock options

At December 31, 1984, options to purchase 445,000 Common Shares during the period ending 1994 were outstanding with exercise prices between $13.55 and $20.50 per share. A total of 231,000 options are exercisable immediately with the remainder becoming exercisable by employees over periods extending to July 1, 1989.

During 1983, stock appreciation rights with respect to 46,000 options were exercised resulting in the Company issuing 13,805 Common Shares.

7. Contributed surplus

Contributed surplus increased $11,994,000 during 1984 and $1,023,000 during 1983. Contributed surplus results principally from the reduction of the Company's pro rata interest in its own Common Shares arising on issue of common shares by Dome Petroleum. There were no transactions affecting contributed surplus during 1982.

8. Income and mining taxes

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

	Current	Deferred	Total
	(thousands of Canadian dollars)		
1984			
Federal income tax	**$10,975**	**$10,997**	**$21,972**
Provincial income taxes	**5,275**	**3,370**	**8,645**
Provincial mining taxes	**14,363**	**(454)**	**13,909**
	$30,613	**$13,913**	**$44,526**
1983			
Federal income tax	$18,854	$18,206	$37,060
Provincial income taxes	7,594	7,935	15,529
Provincial mining taxes	19,622	6,466	26,088
	$46,070	$32,607	$78,677
1982			
Federal income tax	$13,691	$ 9,947	$23,638
Provincial income taxes	6,017	2,733	8,750
Provincial mining taxes	14,532	3,456	17,988
	$34,240	$16,136	$50,376

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

	1984	1983	1982
	(thousands of Canadian dollars)		
Depreciation	**$11,081**	$26,834	$ 2,161
Exploration and development	**3,059**	4,613	5,547
Interest capitalized	**(106)**	3,350	8,127
Other	**(121)**	(2,190)	301
	$13,913	$32,607	$16,136

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

	1984	1983	1982
Income taxes —			
Basic statutory rate	**49.7%**	49.4%	48.7%
Less:			
Federal resource allowance	**10.9**	7.5	9.1
Federal earned depletion allowance	**6.1**	7.8	9.3
Crown royalties	**(1.4)**	(0.6)	(0.5)
Revenue taxes	**(0.8)**	(0.4)	(0.6)
Exempt income (1)	**0.1**	5.6	2.1
Federal surtax	**—**	(0.5)	(1.0)
Sundry	**(3.1)**	(0.3)	(0.6)
	11.8	19.1	17.8
Effective rate	**37.9**	30.3	30.9
Mining taxes —			
Average rate on mining income	**20.8**	21.1	21.6
Income not subject to mining taxes	**3.5**	6.0	4.5
Effective rate	**17.3**	15.1	17.1
Effective tax rate	**55.2%**	45.4%	48.0%

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

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

Pending resolution of the appeals, payments made in respect of the reassessments will be recorded as taxes recoverable. Should the appeal be unsuccessful, any additional tax provision required with respect to the years reassessed would be charged to retained earnings as a prior period adjustment. Under accounting principles generally accepted in the United States, such an adjustment would be included in income in the period the reassessment is settled. The maximum amount of the prior period adjustment, if any, is not expected to exceed $4,200,000.

(e) Dome Mines has investment tax credits of $6,636,000 available to be carried forward against federal taxes payable in future years. Tax credits expire in the following years:

1986	$2,741,000
1987	$2,815,000
1990	$585,000
1991	$495,000

9. Pension plans

Substantially all employees are eligible for and are members of pension plans requiring contributions by the Company. Pension costs are calculated and funded based on actuarial estimates. At December 31, 1984, there were no unfunded past service obligations. Pension expense was $815,000 in 1984, $1,631,000 in 1983 and $1,478,000 in 1982.

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

	December 31	
	1984	**1983**
	(thousands of Canadian dollars)	
Actuarial present value of accumulated plan benefits, using an assumed discount rate of 5.5 percent:		
Vested benefits	**$15,608**	$14,934
Non-vested benefits	**615**	636
	$16,223	$15,570
Net assets available for plan benefits	**$18,179**	$16,387

10. Commitments and contingencies

A total of 115,000 ounces of gold are contracted for delivery at various times during 1985 at an average minimum price of U.S.$322. If the market price for gold exceeds the contract price on the relevant dates of delivery, the Company will receive a portion of the excess ranging from a low of 3% to a high of 23%.

At December 31, 1984, Dome Mines had 3,000,000 gold purchase warrants outstanding (note 6(a)) which entitle holders to purchase a total of 60,000 ounces of gold at U.S.$425 per ounce during the period ending October 16, 1989.

11. Difference between Canadian and United States generally accepted accounting principles

The effects of certain differences between generally accepted accounting principles in Canada ("Canadian basis") and the United States ("U.S. basis") are described in note 21 to the Dome Petroleum consolidated financial statements. Had Dome Petroleum and Dome Mines followed the U.S. basis, certain items on the consolidated balance sheets and consolidated statements of loss of Dome Mines would have been reported as follows:

	December 31	
	1984	1983
	(thousands of Canadian dollars)	
Balance sheets —		
Property, plant and equipment (1)	$387,648	$369,772
Investment in Dome Petroleum	$ (32,629)	$20,595
Deferred income and mining taxes (1)	$121,158	$108,878
Retained earnings	$160,601	$214,550

	Years ended December 31		
	1984	1983	1982
	(thousands of Canadian dollars)		
Statements of loss —			
Loss in accordance with the Canadian basis	$(25,674)	$(216,435)	$(74,628)
Add (deduct) adjustments to Dome Mines' share of loss of Dome Petroleum	(18,569)	85,701	(9,992)
Loss in accordance with the U.S. basis	$(44,243)	$(130,734)	$(84,620)
Loss per share in accordance with the U.S. basis	$(0.62)	$(1.87)	$(1.22)

(1) Under the U.S. basis, Dome Mines is required to recognize investment tax credits on eligible expenditures as a reduction of the cost of property, plant and equipment and deferred taxes. In Canada, investment tax credits are recorded only to the extent that there is reasonable assurance they will be realized.

12. Comparative figures

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

The following Consolidated Financial Statements of Dome Petroleum Limited are an integral part of the Consolidated Financial Statements of Dome Mines Limited.

Consolidated Statements of Operations

(millions of Canadian dollars, except per share amounts as otherwise noted)

	Years ended December 31		
	1984	1983	1982
Revenue:			
Crude oil and natural gas	$1,088.3	$ 946.4	$1,003.8
Natural gas liquids	1,012.5	1,135.4	1,044.3
Contract drilling	335.7	409.3	505.7
Other	11.1	103.5	296.0
	2,447.6	2,594.6	2,849.8
Expense:			
Operating expense			
Crude oil and natural gas	268.4	249.2	264.7
Natural gas liquids	833.6	894.9	804.7
Contract drilling	171.3	221.0	315.7
Other	11.9	119.0	324.8
Depletion	218.4	213.7	185.3
Depreciation and amortization	163.7	138.1	127.7
Write-down of assets	—	1,099.0	213.6
Loss (gain) on disposal of assets	(39.8)	65.0	154.6
General and administrative	82.9	110.7	98.7
Interest on long term debt	710.8	679.3	789.2
Less interest capitalized	(51.7)	(136.8)	(212.9)
Other interest and financing charges	163.5	71.0	67.2
Foreign exchange	123.0	26.6	22.6
Preferred share dividends of subsidiaries	15.7	34.1	163.5
Other corporate revenue	(36.9)	(14.9)	(67.1)
Gain on cancellation of preferred shares	—	—	(70.0)
	2,634.8	3,769.9	3,182.3
Loss before income taxes and equity earnings	187.2	1,175.3	332.5
Income taxes			
Current	(249.3)	135.1	127.0
Deferred	287.4	(161.2)	(33.1)
	38.1	(26.1)	93.9
Loss before equity earnings	225.3	1,149.2	426.4
Equity in earnings of associated companies	28.5	44.2	57.1
Net loss	$ 196.8	$1,105.0	$ 369.3
Per common share			
Net loss	$0.84	$4.72	$1.71
Average number of common shares outstanding (in millions)	248.5	236.8	223.8

(The accompanying notes are an integral part of the consolidated financial statements)

Consolidated Balance Sheets

(millions of Canadian dollars)

	December 31	
Assets	1984	1983
Current:		
Cash and short-term deposits –		
Restricted	$ 83.4	$ 108.3
Unrestricted	155.0	72.0
Accounts receivable –		
Dome Canada Limited	48.3	78.7
Other	448.2	524.5
Inventories –		
Product	161.3	151.4
Materials and supplies	62.2	85.0
	958.4	1,019.9
Investments:		
Dome Mines Limited (quoted market value December 31, 1984 – $285.5; December 31, 1983 – $528.8)	243.9	235.4
Less Dome Petroleum's pro rata interest in its common shares held by Dome Mines	(107.1)	(111.2)
	136.8	124.2
Dome Canada Limited (quoted market value December 31, 1984 – $233.5; December 31, 1983 – $244.2)	412.7	413.0
Sovereign Oil & Gas PLC (quoted market value December 31, 1983 – $34.3)	–	13.4
	549.5	550.6
Property, plant and equipment	6,094.8	6,359.4
Deferred foreign exchange	140.8	73.2
Other assets	172.2	174.9
	$7,915.7	$8,178.0

(The accompanying notes are an integral part of the consolidated financial statements)

Liabilities and Shareholders' Deficiency	December 31 1984	1983
Current:		
Short term bank loans	$ 15.2	$ 95.1
Accounts payable and accrued liabilities —		
Dome Canada Limited	—	172.4
Other	778.5	769.4
Income and other taxes payable	40.5	487.4
Long term debt due within one year	205.3	2,236.5
	1,039.5	3,760.8
Long term debt	6,097.5	3,750.8
Deferred revenue	212.8	209.8
Deferred income taxes	668.1	369.2
Redeemable preferred shares:		
Issued by a subsidiary	220.0	220.0
Issued by the Company	97.9	97.9
Contingencies and commitments (Note 20)		
Shareholders' deficiency:		
Preferred shares	108.9	112.8
Common shares (issued and outstanding at December 31, 1984 — 278,564,775; December 31, 1983 — 267,889,303)	243.0	209.6
Common share warrants	—	47.2
Contributed surplus	45.7	7.5
Deficit	(710.6)	(496.4)
Dome Petroleum's pro rata interest in its common shares held by Dome Mines	(107.1)	(111.2)
	(420.1)	(230.5)
	$7,915.7	$8,178.0

Consolidated Statements of Retained Earnings (Deficit)

(millions of Canadian dollars)

	Years ended December 31		
	1984	1983	1982
Retained earnings (deficit), beginning of year	$(496.4)	$ 621.3	$1,039.6
Net loss	(196.8)	(1,105.0)	(369.3)
	(693.2)	(483.7)	670.3
Preferred share dividends			
Stock	(1.4)	(1.5)	(1.7)
Cash	(10.3)	(10.2)	(12.1)
Termination of share purchase plans and disposition of common shares held by an acquired company	(1.6)	(1.0)	(35.2)
Reduction in Dome Petroleum's pro rata interest in its common shares arising from Dome Mines' issue of common shares	(4.1)	—	—
Retained earnings (deficit), end of year	$(710.6)	$ (496.4)	$ 621.3

(The accompanying notes are an integral part of the consolidated financial statements)

Consolidated Statements of Cash Flows

(millions of Canadian dollars)

	Years ended December 31		
	1984	1983	1982
Operating activities:			
Cash operating income	$1,162.4	$1,110.5	$1,139.9
Interest and financing	(890.0)	(784.4)	(1,019.9)
General and administrative	(112.3)	(139.8)	(152.5)
Other — net	48.8	12.1	136.1
Cash from operations	208.9	198.4	103.6
Investment activities:			
Expenditures on property, plant and equipment	(129.1)	(287.2)	(595.6)
Minority interest acquired in Hudson's Bay Oil and Gas Company Limited	—	—	(450.4)
Other — net	12.3	75.5	(92.4)
Cash used for investment	(116.8)	(211.7)	(1,138.4)
Financing activities:			
Long term debt			
Increase	4.6	81.7	1,998.5
Repayment	(267.8)	(577.7)	(1,896.0)
Proceeds on disposal of assets	138.8	563.1	413.9
Issue of common shares and warrants	33.4	47.3	73.3
Other — net	136.9	206.2	420.8
Cash from financing	45.9	320.6	1,010.5
Increase (decrease) in cash	138.0	307.3	(24.3)
Cash, beginning of year	85.2	(222.1)	(197.8)
Cash, end of year	$ 223.2	$ 85.2	$ (222.1)

Cash comprises cash and short term deposits net of short term bank loans.

(The accompanying notes are an integral part of the consolidated financial statements.)

Notes to Consolidated Financial Statements

(Millions of Canadian dollars, except per share amounts and as otherwise noted)

The company successfully rescheduled a substantial portion of its long term debt and other obligations effective December 31, 1984 and the consolidated financial statements give effect to the Debt Rescheduling Agreement and related agreements.

1. Summary of significant accounting policies

The consolidated financial statements of the company are stated in Canadian dollars and have been prepared in accordance with accounting principles generally accepted in Canada (see Note 21 for differences between Canadian and United States generally accepted accounting principles). A summary of the company's significant accounting policies is presented below to assist in the review of the consolidated financial statements and other information contained in this report.

Principles of consolidation

The consolidated financial statements include the accounts of Dome Petroleum Limited and its subsidiary companies other than Cyprus Anvil Mining Corporation ("Cyprus") and Davie Shipbuilding Limited ("Davie") as described in Investments below. The excess of the consideration paid for the shares of subsidiaries over their net book values at dates of acquisition has been attributed to the related property, plant and equipment.

Foreign currency translation

The accounts of foreign operations are stated in Canadian dollars. Current assets, current liabilities and long term liabilities are translated at the rates of exchange prevailing at the balance sheet date. Long term assets are translated at the rates in effect on the dates the assets were acquired. Exchange gains or losses arising on translation of long term liabilities are deferred and amortized over the remaining term of the liabilities. Revenue and expense items are translated at monthly average rates during the year with the exception of depletion, depreciation and amortization, which are translated at the rates of exchange used for the related assets. The resulting gains and losses are included in income.

Inventories of product, materials and supplies

Inventories of product are valued at the lower of average cost and net realizable value. Materials and supplies are valued at average cost.

Investments

The company's investments in Dome Mines Limited ("Dome Mines") and Dome Canada Limited ("Dome Canada") are accounted for by the equity method. Under this method these investments are carried at cost plus the related equity in undistributed earnings less the amortization of the excess of the purchase price over the net book value at dates of acquisition.

As at December 31, 1983, Cyprus and Davie have not been consolidated since it is the company's intention to dispose of these investments. As a result, the company's interests in Cyprus and Davie are included with other assets at their estimated realizable value.

Property, plant and equipment

The company follows the full cost method of accounting for oil and gas operations whereby all costs of exploring for and developing oil and gas and related reserves are capitalized in two cost centres, western Canada and frontier. Such costs include land acquisition, geological and geophysical, interest and other carrying charges of unproved properties, costs of drilling both productive and non-productive wells and related overhead.

The carrying value of the company's oil and gas properties is limited to the amount determined by estimating the present value of future net revenues from proved properties together with the value of unproved properties at the lower of cost and net realizable value.

Gains or losses are not recognized upon disposition of oil and gas properties accounted for under the full cost method unless such a disposition would significantly alter the relationship between capitalized costs and proved reserves of oil and gas. Gains or losses are recognized upon disposition of other assets.

Maintenance and repair costs are charged against income. Significant improvements are capitalized and replaced assets, if any, are retired from the accounts.

Depletion, depreciation and amortization

Provisions for depreciation of production facilities and depletion of oil and gas properties are calculated as the proportion of net property and production facility costs that current production revenues are to current plus estimated future production revenues from proved reserves as determined by company or independent engineers. Estimated future revenues are based on prices contained in the Energy Pricing and Taxation Agreements reached between the federal government and the producing provinces assuming the existing world oil reference price remains constant.

Significant acquisition costs of unproved properties are excluded from the depletion calculation and are added to the depletion base as actual exploration activities are carried out, but in any event over a term not exceeding five years. Frontier costs are also excluded from the depletion calculation until quantities of proved reserves can be ascertained through further exploration. Frontier costs are amortized to income on a straight-line basis over 15 years commencing January 1, 1984. The amortization charged to income during the year ended December 31, 1984 amounted to $15.3 million ($0.06 per common share) net of deferred income taxes of $6.9 million.

The natural gas liquids system, pipelines, drillships and other vessels and other assets are depreciated on the straight-line basis at rates designed to amortize the assets over their estimated useful lives.

Developed oil sands rights and mining and related facilities are depreciated on the unit-of-production method. Undeveloped oil sands rights are amortized to income on the straight-line basis over 20 years.

Deferred revenue

Payments received for undelivered gas have been deferred and are recognized as revenue when deliveries are made or upon expiry of the period allowed for such deliveries.

Capitalized interest

Interest is capitalized on all oil and gas properties undergoing exploration and development activities that are not subject to depletion or amortization and on costs incurred during the construction of major additions to property, plant and equipment. When exploration and development ceases or is completed or the facility commences operations, subsequent interest costs are charged to income. Commencing January 1, 1984, interest is no longer capitalized on frontier exploration costs in view of the company's decision to amortize such costs.

Income taxes

The company follows the deferral method of tax allocation accounting under which the income tax provision is based on the consolidated results of operations reported in the accounts. Under this method, the company makes full provision for income taxes deferred principally as a result of claiming capital cost allowance, interest and exploration and development costs in excess of depreciation, depletion and amortization provided in the accounts.

Reclassification

Certain comparative figures in the accompanying consolidated financial statements have been reclassified to conform to the consolidated financial statement presentation adopted for the year ended December 31, 1984.

2. Changes in accounting policies

(a) Frontier exploration costs

In 1983, following changes in senior management and the Board of Directors, the company decided to concentrate its future capital expenditures on the development of assets in three strategic areas: western Canada oil and gas, natural gas liquids and contract drilling. As a result, the company concluded that its investment in the frontier areas should be segregated from its western Canada oil and gas operations and that it was preferable to establish a separate cost centre. This conclusion was based on management's decision to minimize direct expenditures in the frontier areas and the degree of uncertainty with respect to future development. Under the accounting policy followed prior to December 31, 1983, these costs would have been included with other oil and gas property costs and amortized to income in accordance with the company's depletion policy. The application of this change in prior years under the company's previous business plan would have had no effect on the results of operations or recorded costs in those years.

Under the previous policy, any write-down of costs related to the frontier would not have been charged directly to income but would have been included in costs subject to depletion (see Summary of Significant Accounting Policies — Depletion, Depreciation and Amortization). This change in 1983 resulted in an increase in the net loss for the year of $316.6 million ($1.34 per common share). See also Investments regarding a 1983 change in accounting policy by Dome Canada.

(b) Foreign currency translation

Effective December 31, 1983, the company adopted the foreign currency translation policies recommended by the Canadian Institute of Chartered Accountants. The effect of this change was to translate long term liabilities repayable in foreign currencies at the rates of exchange prevailing at the balance sheet date. The resulting exchange gains and losses are deferred and commencing January 1, 1984, amortized over the term of the related liabilities. Previously, long term liabilities repayable in foreign currencies were translated at the rates in effect at the dates the liabilities were incurred and exchange gains and losses were included in income only as realized. There was no effect on the 1983 results of operations but for the year ended December 31, 1984, amortization of deferred foreign exchange resulted in an increase in the net loss of $18.7 million ($0.08 per common share).

3. Investments

(a) Dome Mines

At December 31, 1984, the company owned 30,861,184 common shares of Dome Mines representing a 38.3% interest therein, and Dome Mines together with its subsidiaries owned 24.0% of the outstanding common shares of the company, resulting in the company having a pro rata interest of 9.0% in its own common shares. Accordingly, the investment in Dome Mines has been reduced and shareholders' deficiency has been increased by the allocated portion of the cost of the investment that relates to the pro rata interest in the company's common shares. The unamortized excess of the purchase price over the net book value of Dome Mines at dates of acquisition, other than its holdings in the company, of $45.3 million is attributable to the value of the mineral assets held by Dome Mines and is being amortized over the expected life of these mineral assets.

During 1984 Dome Mines issued 3,000,000 units, each unit consisting of one common share and one gold purchase warrant, which resulted in the company's interest in Dome Mines being reduced to 38.3% and its pro rata interest in its own common shares to 9.0%. The issue of these common shares to the public at a price greater than the company's corresponding net book value resulted in an increase in the investment in Dome Mines of $6.1 million, a reduction in the company's pro rata interest in its own common shares of $4.1 million and a credit to income and a charge to deficit of $10.2 million and $4.1 million respectively.

Details of the company's investment in Dome Mines are as follows:

Years Ended	Number of Shares Owned(1)	Shares Acquired (Sold) Number	Shares Acquired (Sold) Amount	Dividends Received	Interest in Dome Mines(1)	Dome Mines' Interest in the Company(1)	Pro Rata Interest(1)
1984	30,861,184(2)(3)	—	$ —	$3.7	38.3%	24.0%	9.0%
1983	30,861,184(2)	(216,000)	(4.7)	3.4	39.8	24.9	9.7
1982	31,077,184	561,400	6.4	3.5	40.1	25.9	10.2

(1) At end of years indicated.

(2) At year end, 28,452,198 shares were pledged under certain of the company's loan agreements.

(3) The company has an undertaking to sell, by December 31, 1986, 10 million common shares of Dome Mines.

Dome Mines
Summarized Financial Information
Balance Sheets

	December 31, 1984	1983
Current assets	$ 91.7	$ 80.9
Investments — Dome Petroleum	(90.7)	(56.0)
— Other	13.6	12.7
Property, plant and equipment	394.3	376.4
	$408.9	$414.0
Current liabilities	$ 36.5	$ 47.3
Long term debt	—	29.0
Deferred income and mining taxes	127.8	115.0
Minority interest in subsidiary companies	84.4	82.5
Deferred revenue	0.7	—
Shareholders' equity	159.5	140.2
	$408.9	$414.0

Statements of Operations

	Years ended December 31, 1984	1983	1982
Revenue	$215.1	$234.8	$182.6
Operating income	$64.9	$122.6	$88.6
Income before taxes and other items	$ 80.7	$173.4	$105.0
Income and mining taxes	(44.5)	(78.7)	(50.4)
Income after taxes, before other items	36.2	94.7	54.6
Income (losses) related to associated companies:			
Share of losses of:			
Canada Tungsten Mining Corporation Limited	(1.2)	(2.5)	(1.7)
Dome Petroleum	(55.7)	(290.9)	(110.4)
Gain on issue of shares by Dome Petroleum	6.7	—	—
Minority interest in net income of subsidiary companies	(11.7)	(17.8)	(17.1)
Loss	$(25.7)	$(216.5)	$(74.6)

(b) Dome Canada

At December 31, 1984, the company owned 42,461,538 common shares of Dome Canada (48%) which were pledged under certain of the company's loan agreements.

Dome Canada
Summarized Financial Information
Balance Sheet

	December 31, 1984	December 31, 1983
Current assets:		
Due from Dome Petroleum Limited	$ —	$ 172.4
Other	322.6	311.1
Long term receivable — Dome Petroleum Limited	112.5	—
Property, plant and equipment	1,000.4	886.5
	$1,435.5	$1,370.0
Current liabilities:		
Due to Dome Petroleum Limited	$ 48.3	$ 78.7
Other	13.6	1.8
Deferred revenue	26.6	26.6
Long term debt	227.4	228.7
Deferred income taxes	144.3	91.3
Shareholders' equity	975.3	942.9
	$1,435.5	$1,370.0

Statement of Income

	Years ended December 31, 1984	1983(1)	1982
Revenue	$188.7	$133.3	$116.0
Operating income	$65.9	$56.1	$47.7
Income before taxes and other items	$ 99.8	$ 79.2	$ 60.5
Taxes	(67.4)	(38.7)	(33.2)
Equity in earnings of TransCanada	—	—	24.5
Gain (loss) on sale of TransCanada shares net of deferred income taxes	—	17.7	(7.5)
Write-down of Frontier costs net of deferred income taxes	—	(51.1)	—
Net income	$ 32.4	$ 7.1	$ 44.3

(1) During 1983, Dome Canada changed its accounting policy with respect to Frontier costs. This change resulted in a reduction of net income of $51.1 million in 1983.

4. Property, plant and equipment

		December 31, 1984			December 31, 1983		
	Depletion, Depreciation and Amortization Rates	Investment at Cost	Accumulated Depletion, Depreciation and Amortization	Net Investment	Investment at Cost	Accumulated Depletion, Depreciation and Amortization	Net Investment
Oil and gas properties:							
Depleted	Unit of revenue(2)	$4,445.3	$ 754.8	$3,690.5	$4,123.5	$ 525.9	$3,597.6
Non-depleted(1)	—	302.8	—	302.8	519.4	—	519.4
Frontier(1)	6.7%	332.6	22.2	310.4	332.6	—	332.6
Oil sands:							
Mining and related facilities and developed rights	Unit of production(2)	132.0	13.7	118.3	125.6	10.2	115.4
Undeveloped rights	5.0%	219.2	31.1	188.1	219.2	20.1	199.1
Production facilities	Unit of revenue(2)	685.6	116.2	569.4	671.4	82.4	589.0
Natural gas liquids system and pipelines	3.3% to 6.7%	581.6	169.8	411.8	568.8	150.1	418.7
Drillships and other vessels	6.7% to 15.0%	647.7	245.7	402.0	640.9	193.1	447.8
Other	5.0% to 30.0%	170.0	68.5	101.5	274.8	135.0	139.8
		$7,516.8	$1,422.0	$6,094.8	$7,476.2	$1,116.8	$6,359.4

(1) Significant acquisition costs of unproved properties in western Canada are excluded from the depletion calculation and are added to the depletion base as actual exploration activities are carried out, but in any event over a term not exceeding five years. Unproved oil and gas properties will be transferred to the depletion base in equal annual instalments over the period to December 31, 1986.

Exploration and development costs incurred by the company related to western Canada lands are included with costs to be depleted in the year of expenditure. Additional exploration costs on these lands and in the frontier incurred by farmout participants are not recorded in the accounts in accordance with industry practice.

Costs excluded from the depletion base are as follows:

	December 31, 1984			Years ended December 31,			
	Western Canada	Frontier	Total	1984	1983	1982	1981 and Prior
Acquisition costs	$ 709.2	$ 102.1	$ 811.3	$ —	$ —	$ (72.1)	$ 883.4
Exploration costs	—	408.2	408.2	—	(1.2)	0.6	408.8
Capitalized interest	464.1	275.7	739.8	51.2	128.9	196.6	363.1
Transfers to depletion base	(870.5)	—	(870.5)	(267.8)	(239.4)	(225.8)	(137.5)
Write-down	—	(453.4)	(453.4)	—	(453.4)	—	—
Amortization	—	(22.2)	(22.2)	(22.2)	—	—	—
	$ 302.8	$ 310.4	$ 613.2	$(238.8)	$(565.1)	$(100.7)	$1,517.8

(2) Depletion, depreciation and amortization rates

	Years ended December 31,		
	1984	1983	1982
Oil and gas properties and production facilities			
Per dollar based on production revenue	$0.20	$0.20	$0.14
Oil sands			
Per barrel of production	$4.33	$3.09	$3.36

5. Restricted cash, short term bank loans and unused lines of credit

Restricted cash at December 31, 1984, in the amount of $83.0 million (December 31, 1983 — $93.4 million) was released in 1985. Of this amount $35.2 million was applied to debt and $47.8 million was released to the company for general corporate purposes. An additional $0.4 million (December 31, 1983 — $14.9 million) arising from the sale of the United States oil and gas properties is held in escrow.

Short term bank loans bear interest at various rates between the prime bank rate and the prime bank rate plus ½%. At December 31, 1984, $11.2 million (December 31, 1983 — $66.2 million) of these loans was secured by assignment of accounts receivable and $4.0 million (December 31, 1983 — $28.9 million) was unsecured.

The Debt Rescheduling Agreement which closed on February 5, 1985 provided the company with access to funds under two additional credit facilities, the Operating Credit Agreement and the Secured Project Credit Agreement.

The Operating Credit Agreement provides up to $245.0 million in operating lines to be secured by accounts receivable of which $150.0 million will be made available up to February 6, 1986, irrespective of the level of pledged accounts receivable. The availability of credit under the Operating Credit Agreement is subject to review by the lenders at any time.

The Secured Project Credit Agreement makes available $200.0 million and U.S. $29.0 million secured by completed capital projects commenced after December 1, 1983. The acceptability of projects proposed by the company as security will be reviewed by the lenders under guidelines contained in the Secured Project Credit Agreement prior to any lending under this facility.

6. Income taxes

The income tax provisions differ from the calculated tax obtained by applying the combined Canadian federal-provincial corporate tax rate to the consolidated results of operations before income taxes. These differences are as follows:

	Years ended December 31,		
	1984	1983	1982
Corporate tax rate	47.1%	47.1%	47.2%
Calculated income tax provision	$ (88.1)	$(553.5)	$(156.9)
Add (deduct) the tax effect of:			
Crown charges disallowed for tax purposes, less provincial rebates	147.0	114.8	122.5
Federal resource allowance	(128.2)	(99.1)	(106.9)
Earned depletion allowance	(62.5)	9.1	(44.7)
Investment tax credits	(0.4)	(7.6)	(7.5)
Non-deductible interest	32.4	22.9	14.4
Preferred share dividends of subsidiaries	7.4	16.0	77.2
Non-deductible depletion and depreciation	55.8	45.4	31.5
Reversal of depreciation for tax purposes which has no accounting equivalent	—	18.1	—
Petroleum and gas revenue tax	60.8	50.9	46.8
Gain on cancellation of preferred shares	—	—	(33.2)
Non-deductible foreign exchange	44.4	7.5	14.5
Capital loss on write-down of assets	—	268.2	100.8
Differences between the Canadian corporate rate and those rates applicable to foreign and mining operations	(11.8)	28.0	17.4
Capital loss (gain) on disposal of assets	(16.8)	40.0	23.6
Gain on deemed disposition of shares of Dome Mines	(4.8)	—	—
Reversal of tax provision on disposition of a subsidiary	10.3	—	—
Other	(7.4)	13.2	(5.6)
Income tax provision	$ 38.1	$ (26.1)	$ 93.9

Concurrently with the closing of the Debt Rescheduling Agreement, the Government of Canada and the Province of Alberta granted remission orders to the company in respect of Hudson's Bay Oil and Gas Company Limited ("HBOG") income taxes. The remission orders allows the deduction of certain interest costs incurred by Dome Energy Limited ("Dome Energy") associated with Dome Energy's acquisition of HBOG from the taxable income of HBOG thereby eliminating HBOG's current income tax expense for 1982, 1983 and 1984. HBOG current income taxes accrued but unpaid for the 1982 and 1983 tax years in the amount of $256.5 million have therefore reduced current income tax expense in 1984 with a corresponding increase in deferred income tax expense.

The income tax provision is calculated on the basis of revenues and expenses recorded in the consolidated statements of operations. Deferred income taxes arise primarily from differences in the treatment of these items for financial statement purposes compared to the treatment for statutory income tax purposes. Deferred income taxes relating to these various timing differences are as follows:

	Years ended December 31,		
	1984	1983	1982
Depreciation, depletion and amortization	$ (5.5)	$(106.2)	$ (5.3)
Interest — capitalized	24.4	55.5	58.7
— other(1)	238.8	(120.2)	(81.6)
Other capitalized expenses	13.8	1.4	13.1
Operating loss carryforwards	3.0	(7.5)	(21.0)
Other	12.9	15.8	3.0
	$287.4	$(161.2)	$(33.1)

(1) 1984 includes the effect of the remission orders described above.

The domestic and foreign components of loss (income) before income taxes together with related income taxes are set out below:

	Years ended December 31,								
	1984			1983			1982		
	Canada	Foreign	Total	Canada	Foreign	Total	Canada	Foreign	Total
Loss (income) before income taxes and equity earnings	$ 216.3	$(29.1)	$187.2	$968.8	$206.5	$1,175.3	$81.9	$250.6	$332.5
Income taxes:									
Current	$(251.3)	$2.0	$(249.3)	$ 133.1	$2.0	$ 135.1	$115.0	$ 12.0	$127.0
Deferred	287.4	—	287.4	(161.2)	—	(161.2)	45.0	(78.1)	(33.1)
	$ 36.1	$2.0	$ 38.1	$ (28.1)	$2.0	$ (26.1)	$160.0	$ (66.1)	$ 93.9

At December 31, 1984, the company had the following tax loss carryforwards, investment tax credits and capital losses for which the tax benefits have not been recorded, as their recovery is not virtually certain.

	Canadian		U.S.	
Expiring in	Capital losses	Investment tax credits	Tax loss carryforwards	Investment tax credits
1985	$ —	$19.1	$ —	$ —
1986	—	32.4	—	—
1987	—	3.2	—	—
1990 and thereafter	768.7	—	148.4	10.4
	$768.7	$54.7	$148.4	$10.4

7. Long term debt

Long term debt summarized below gives effect as at December 31, 1984 to the Debt Rescheduling Agreement and related agreements:

	Currency of repayment	Repayment date	December 31, 1984	1983
Bonds and debentures				
Secured				
Income Debenture with interest at 52% of the prime bank rate plus 7/8%	Cdn.	1989 to 1995	$ 200.0	$ 200.0
10½% Series A Debentures	U.S.	1985 to 1993	164.9	169.6
14¾% Sinking Fund Debentures	U.S.	1992 to 2006	129.1	121.4
7.85% Collateral Trust Bonds net of funds on deposit of U.S. $2.2 million (1983 — U.S. $18.6 million)	U.S.	1994	—	—
Unsecured				
10⅜ Sinking Fund Debentures	Cdn.	1985 to 1996	24.0	25.5
10% Sinking Fund Debentures	U.S.	1985 to 1994	61.9	61.6
13½% Purchase Fund Debentures	U.S.	1985 to 1992	51.8	51.3
5¾% Purchase Fund Bonds	SF	1986 to 1991	50.8	57.9
7¼% Purchase Fund Bonds	SF	1985 to 1990	50.8	57.9
Term bank loans and promissory notes				
Secured				
6%	Cdn.	1985 to 1998	65.1	69.8
Up to 16%	Cdn.	By 2030	175.0	175.0
Prime plus 5%, payable to Dome Canada	Cdn.	1986 to 1990	112.5	—
Prime plus ⅜% to prime plus 1⅜%	Cdn.	1985 to 1995	2,476.1	2,428.4
U.S. prime plus ⅛%	U.S.	1987 to 1995	62.0	96.1
LIBOR plus ¾%	U.S.	1985 to 1995	1,420.5	1,443.2
Unsecured				
15%	Cdn.	1984	—	0.9
16¼%	U.S.	1989	4.1	3.9
6%	SF	1986	50.8	57.9
10.84%	DM	1985 to 1991	10.2	12.3
Prime less ⅛% to prime plus 1⅛%	Cdn.	1987 to 1995	214.0	189.1
LIBOR plus ¼%	U.S.	1988	99.1	93.3
LIBOR plus ¼%	U.S.	1989	66.1	62.2
LIBOR plus ⅝% to LIBOR plus ¾%	U.S.	1987 to 1995	562.9	530.1
U.S. prime	U.S.	1985	1.9	4.0
Other				
Revenue Canada — Taxation (PGRT)	Cdn.	1986 to 1990	204.1	—
Leases and other —	Cdn.	Various	38.2	47.4
—	U.S.	Various	6.9	28.5
			6,302.8	5,987.3
Less amounts due within one year			205.3	2,236.5
			$6,097.5	$3,750.8

Approximate instalments (including sinking fund requirements) in each of the years 1985 to 1989 are (in millions): 1985 — $205.3; 1986 — $356.6; 1987 — $393.2; 1988 — $406.6 and 1989 — $401.7.

Principal balances in currencies other than Canadian dollars ("Cdn.") are translated on the basis that Cdn. $1.00 equals:

	December 31, 1984	1983
United States dollars ("U.S.")	0.76	0.80
Swiss francs ("SF")	1.97	1.73
Deutschmarks ("DM")	2.39	2.20

Certain of the term bank loans have multi-currency options whereby the company may choose to convert the loans from one currency to another, including Canadian dollars, U.S. dollars, Swiss francs and other Euro-currencies. The total amount of such multi-currency loans as at December 31, 1984, was $632.4 million (1983 — $1,507.5 million).

In 1982, three other companies, including Maligne Resources Limited ("Maligne"), acquired an interest in HBOG. As a result, a secured term bank loan of Dome Energy, which at December 31, 1984 amounted to $187.1 million (1983 — $217.7 million), was offset by an account receivable of an equal amount. The bank's recourse on the loan to Dome Energy was limited to realization of its security, which consisted of interests in certain oil and gas and other assets acquired by Maligne. In 1985, Maligne assumed the term bank loan in return for cancellation of the account receivable.

Security

Essentially all the assets of the company are either pledged as security for existing indebtedness or are the subject of covenants in financial instruments whereby the company's ability to give security on such assets is restricted.

Bonds and debentures are secured by a charge on the company's interest in the natural gas liquids system together with an assignment of related supply and sales contracts, certain oil and gas properties and related assets and cash deposits totalling U.S. $2.8 million (1983 — U.S. $19.1 million).

Term bank loans and promissory notes are secured by fixed and floating charges on certain oil and gas properties and related assets, fixed and floating charges on certain natural gas liquids system pipelines and related assets including transportation contracts, pledges of shares of Dome Mines, Dome Canada and certain subsidiaries including Cyprus, a $225.0 million guarantee by Dome Mines, certain other assets and cash deposits totalling $3.7 million and U.S. $0.1 million (1983 — $1.5 million and U.S. $14.1 million).

The promissory notes with cost of borrowing of up to 16% are held by Arctic Petroleum Corporation of Japan. The notes are secured by a floating charge on the oil and gas interests of the company and Dome Canada in the Beaufort Sea region. The company arranged that Arctic Petroleum Corporation of Japan advance $400.0 million in 1981 and 1982 to be used in conducting exploration activities in the Beaufort Sea. The first $175.0 million was assigned to the company and the remaining $225.0 million has been retained by Dome Canada. The company and Dome Canada are jointly and severally liable for repayment of the principal balance by the year 2030. Prior to that date, repayment of the principal amount is to be made from 20% of the net proceeds of production from certain fields to be developed in the Beaufort Sea. The cost of borrowing will be based on production from the Beaufort Sea and will not exceed 16% per year compounded annually from the date funds were advanced. Any payment in excess of the principal amount is contingent upon proceeds of production from the Beaufort Sea, which amounts cannot be determined. Accordingly, no provision will be made for such cost of borrowing until production commences.

Debt rescheduling agreement

A severe cash flow shortfall during 1982 caused the company to approach its principal Canadian bankers and the Government of Canada for assistance. As a result, in September, 1982, an Agreement in Principle for restructuring the company's debt and increasing its capitalization was reached with its principal Canadian bankers, the Government of Canada and Dome Mines. The company continued to pursue alternative methods of improving its financial position and on December 1, 1983, presented to its lenders a plan (the "Plan") which primarily contemplated a rescheduling of its debt. During the period following the presentation of the Plan the company continued negotiations with certain of its lenders. In August, 1984 the company signed an agreement (as amended, the "Debt Rescheduling Agreement") under which approximately $5.3 billion of the company's debt was rescheduled over a 12 year period extending to 1995. The company's remaining long term debt of $1.1 billion will continue to be repaid on its original schedule.

Concurrently with the closing of the Debt Rescheduling Agreement on February 5, 1985, the company reached agreement with Revenue Canada — Taxation to pay its 1982 and 1983 Petroleum and Gas Revenue Tax ("PGRT") liability over the five year period commencing January 2, 1986, with interest determined at the rate prescribed by the Income Tax Act (Canada), with Dome Canada to reschedule certain current obligations over the five year period commencing January 2, 1986 and with the Governments of Canada and Alberta who provided remission orders with respect to HBOG income taxes. The Agreement in Principle expired on October 1, 1984.

The Debt Rescheduling Agreement contains certain provisions including the following:

(a) New uniform covenants for the benefit of all participating lenders, which are in addition to existing covenants, requiring, among other things: the company's working capital ratio may not fall below 0.7 to 1 as at the end of any two consecutive quarterly periods from February 5, 1985 until March 31, 1988 and 0.8 to 1 after December 31, 1987; the company is required to maintain a consolidated capital base (generally, the total of the company's shareholders' equity and subordinated debt, if any, excluding certain unrealized foreign exchange losses charged to income from December 31, 1983 to February 5, 1985, and including preferred shares net of any retractions or mandatory redemptions prior to 1996 and at December 31, 1985, but not thereafter, the amount of the Series D Cumulative Preferred Shares) of not less than negative $395.0 million at December 31, 1985, negative $315.0 million at December 31, 1986, and negative $215.0 million at December 31, 1987 and negative $25.0 million at December 31, 1988 and thereafter in excess of $100.0 million and equal to or greater than (i) for 1989, 90% of the company's consolidated capital base as at December 31, 1988, and (ii) thereafter, 90% of the average of the consolidated capital base as at the end of each of the two immediately preceding fiscal year ends; the company's debt to equity ratio, the ratio of the company's consolidated long term debt (generally, the total of long term debt excluding the current portion thereof, any retractions or mandatory redemptions of preferred shares prior to 1996, and the amount of deferred revenue in excess of $210.0 million) to its consolidated capital base is not to exceed 17 to 1 at December 31, 1989, 10 to 1 at December 31, 1990, 5 to 1 at December 31, 1991, and 4 to 1 at December 31, 1992, and as at the end of each fiscal year after December 31, 1988 is not to exceed 90% of the debt to equity ratio as at the end of the immediately preceding fiscal year, but the company will not be required to achieve or maintain a debt to equity ratio of less than 3 to 1. Additional covenants restrict the level of capital expenditures and investments and limit, among other things, the company's ability to grant new security, give guarantees, prepay debt, incur new debt or enter into capital and financial leases. In addition, the company is prohibited from paying cash dividends on its common shares until 1989. Thereafter such dividends are limited to 50% of annual earnings, provided that the cumulative amount of such dividends is not more than 50% of the amount by which retained earnings exceed $1.0 billion;

(b) The company's existing facilities, which were amended in part but not superseded by the Debt Rescheduling Agreement, contain additional covenants and events of default which will remain in force. The Debt Rescheduling Agreement also provides for new uniform events of default which are in addition to those currently in the company's existing loan documents. While the company received waivers of all events which constituted or may have constituted events of default under its rescheduled credit facilities known to its lenders effective as of the date of closing of the Debt Rescheduling Agreement, any future acceleration of debt under any credit facility, including those amended by the Debt Rescheduling Agreement, (which includes certain outstanding debt of Cyprus of $146.4 million due in annual instalments commencing after 1986 as follows (in millions): 1987 — $3.9; 1988 — $1.8; and 1989 — $3.0) would constitute an event of default under the Debt Rescheduling Agreement itself, in addition to bringing into operation cross default clauses in the underlying credit facilities. Upon any failure to maintain compliance with the covenants contained in the Debt Rescheduling Agreement or the underlying credit facilities, the company could seek a waiver or amendment of the covenants involved. A waiver or amendment of the covenants in the Debt Rescheduling Agreement described above would require the consent of (i) a majority of the company's four principal Canadian bank lenders, (ii) members of a syndicate of the company's principal U.S. bank lenders holding 66⅔% of the debt held by this syndicate, and (iii) lenders holding 66⅔% of the remaining debt subject to the Debt Rescheduling Agreement;

(c) Promissory notes issued to two Canadian subsidiaries of foreign lenders in the amount of $74.9 million which were included in short term bank loans were rescheduled;

(d) A requirement to sell common shares of the company, or other securities as approved by the lenders, for aggregate cash proceeds of at least $100.0 million prior to December 31, 1986;

(e) A requirement to sell assets for aggregate cash proceeds of at least $150.0 million prior to December 31, 1986, which may be satisfied in whole or in part by compliance with the company's undertaking to sell 10 million common shares of Dome Mines;

(f) Additional interest is payable on all reschedule debt principal at the rate of ⅛% per anum commencing in April, 1984 and increasing by an additional ⅛% per annum in April of each of 1987, 1990 and 1993;

(g) The company may be required to make prepayments if production from oil and gas reserves securing certain rescheduled credit facilities occurs at a rate faster than that forecast by formulas contained in these rescheduled credit facilities, and may also become obligated, commencing at any time on or after December 31, 1986, to grant additional security or to make prepayments under certain rescheduled credit facilities should the value of security for these facilities not meet a fixed ratio to outstanding indebtedness after that date. Proceeds from the sale of assets, rights or properties which secure any rescheduled facility must be used to prepay that facility.

The Debt Rescheduling Agreement is effective December 31, 1984 and therefore in the consolidated balance sheet $74.9 million of short term bank loans, $204.1 million of PGRT (together with related interest) included in income and other taxes payable, $112.5 million of accounts payable owing to Dome Canada and $2,324.2 million of long term debt due within one year have been reclassified to long term debt. The consolidated statement of operations for 1984 reflects the ⅛% increase in interest rates on rescheduled debt commencing April, 1984 and the effect of the remission orders from the federal and provincial Governments on current and deferred income taxes.

In addition, the company paid $31.8 million to the lenders as consideration for rescheduling the debt. This amount was charged to operations in 1984 and comprised $4.7 million in cash and 12,223,757 common shares of the company, having a value of $27.1 million, which were issued in 1985 in connection with the closing of the Debt Rescheduling Agreement.

8. Redeemable preferred shares issued by subsidiaries

Redeemable preferred shares issued by subsidiaries and outstanding for the three years ended December 31:

		1984		1983		1982	
	Authorized	Outstanding	Amount	Outstanding	Amount	Outstanding	Amount
Provo Gas Producers Limited Series A	2,200,000	2,200,000	$220.0	2,200,000	$220.0	2,200,000	$220.0
Dome Resources Limited Class A Preferred Shares	Unlimited		–		–	12,719,149	731.4
Less unamortized discount on issue			–		–		(2.8)
			–		–		728.6
Escrow funds			–		–		(749.8)
			–		–		(21.2)
Reclassified to accounts payable			–		–		21.2
			–		–		–
Davie Shipbuilding Limited Class A	50,000		–		–	50,000	5.0
			$220.0		$220.0		$225.0

The 2,200,000 Series A cumulative, non-voting, first preference shares are redeemable at the holder's option in 1988. The dividend rate is 52% of the prime bank rate plus 3/4%. A subsidiary has agreed to redeem the preferred shares upon the occurrence of certain events of default. If the subsidiary fails to redeem the preferred shares when required, the company can be required to purchase the preferred shares, and a Canadian bank has agreed to provide an unsecured term bank loan for that purpose. The subsidiary has agreed to redeem 97,400 shares over two years commencing in 1987 and, together with the company, has given the Canadian bank a joint and several promissory note evidencing their obligation to satisfy the remaining redemption obligation in 1989 by way of an unsecured term bank loan, repayable quarterly from 1989 to 1995. The interest rate will be prime plus 1½%, increasing by an additional ⅛% per annum in April of each of 1990 and 1993.

The $5.75 Class A Retractable Preferred Shares ("Class A Preferred Shares") were issued by Dome Resources Limited ("Dome Resources") in 1982 in exchange for the outstanding common shares of HBOG held by minority interest shareholders. The Class A Preferred Shares were recorded at a discount which was amortized over the period to date of redemption. During 1982 the company purchased for cash, 23,201,531 Class A Preferred Shares which were surrendered to Dome Resources for cancellation. The remaining shares were redeemed for cash in 1983.

The escrow funds held by a trustee were sufficient at all times to retract the outstanding Class A Preferred Shares. These funds were invested with interest earned being paid into a cash collateral account which formed part of the security for a related term bank loan. In the consolidated financial statements, interest earned on the escrow funds reduced interest expense on the related term bank loan in the amount of $17.2 million in 1983 (1982 – $178.3 million).

The 50,000 Class A 5% cumulative preferred shares issued by a subsidiary were purchased by the company at a par value of $100 per share in 1983.

9. Preferred shares

Authorized: An unlimited number of preferred shares and subordinated preferred shares issuable in series.

Preferred shares outstanding for the three years ended December 31:

		1984		1983		1982	
	Authorized	Outstanding	Amount	Outstanding	Amount	Outstanding	Amount
Redeemable at the option of the Company:							
7.76% Series A and B	10,500,000	4,705,572	$112.8	4,847,649	$117.2	4,875,578	$119.9
Stock Dividends		107,949	1.4	107,223	1.5	152,420	1.7
Purchased		(220,200)	(5.3)	(249,300)	(5.9)	(180,349)	(4.4)
		4,593,321	$108.9	4,705,572	$112.8	4,847,649	$117.2
Redeemable at the option of the holder:							
8.725% Series C	1,450,000	1,450,000	$ 36.2	1,450,000	$ 36.2	1,450,000	$ 36.2
7.25% Series D	4,110,517	4,110,517	61.7	4,110,517	61.7	4,110,517	61.7
		5,560,517	$ 97.9	5,560,517	$ 97.9	5,560,517	$ 97.9

The Series A Cumulative Preferred Shares and Series B Cumulative Stock Dividend Preferred Shares were issued at $25 per share and are interconvertible at any time on a share for share basis at the option of the holder. The shares are redeemable at the option of the company at $26 per share to August 31, 1985, declining thereafter by $0.20 per share annually to $25 after August 31, 1990. The company is required to use all reasonable efforts to purchase in the market each year a number of Series A or Series B Preferred Shares equal to the sum of 50,000 shares per quarter and 1% of the number of Series B shares issued as stock dividends since August 31, 1979, less certain other adjustments, provided such shares are available at prices not exceeding $25 per share plus cost of purchase.

During 1984, the company purchased for cancellation 220,200 (1983 – 249,300; 1982 – 180,349) Series A and B Preferred Shares at a discount of $2.5 million (1983 – $2.3 million; 1982 – $2.4 million) which has been credited to contributed surplus.

The Series C Cumulative Preferred Shares were issued at $25 per share with an annual requirement to redeem 5% of the issued shares beginning in 1985 at $25 per share. Each holder has the right to waive this redemption obligation of the company in any year. The dividend rate of 8.725% per annum was fixed in 1984 and will be adjusted every five years thereafter. The company has certain obligations to vary the dividend rate to indemnify the holders against any reduction in the after-tax return on their investment resulting from future changes in Canadian income tax legislation.

The Series D Cumulative Preferred Shares ("Series D Shares"), issued at $15 per share, have a stated dividend rate of 7.25% per annum and were redeemable in whole or in part at the option of the holder at $15 per share in 1984. In return for the waiver by the holder of the Series D Shares of certain restrictive covenants, the company agreed to purchase the shares for $62.8 million in 1982 or such later date up to January 3, 1984 as designated by the holder. The holder of the Series D Shares gave notice requiring the company to redeem the shares, but agreed not to present the shares to the company for redemption prior to February 5, 1985. Pursuant to such arrangements, the holder of the Series D Shares received, in lieu of dividends, interest on an amount equal to the purchase price at a rate equal to the prime bank rate plus 2%. On February 5, 1985, the company and the holder of the Series D Shares agreed that (i) the holder of the Series D Shares would continue to hold such shares and receive interest in lieu of dividends at the same rate as above, (ii) the holder would be entitled to exchange such shares for a series of subordinated convertible preferred shares at any time prior to January 1, 1987 at the option of the holder, (iii) the holder would be entitled to present the shares for redemption if the company fails to meet certain conditions and (iv) the company would be entitled to require the holder to exchange such shares for a series of subordinated convertible preferred shares at any time after the company has complied with these conditions. In addition, if the holder of the Series D Shares continues to hold such shares after 1986 the holder may present the shares for payment of the redemption price over a ten year period commencing in 1987.

10. Common shares

Authorized: An unlimited number of common shares of no par value.

Common shares issued (cancelled) during the three years ended December 31:

	1984		1983		1982	
	Shares	Amount	Shares	Amount	Shares	Amount
Employee Profit Sharing	10,470,843	$ 32.4	9,248,895	$ 42.2	9,550,000	$ 25.8
Employee Share Bonus Plan	27,000	0.1	517,757	2.8	108,568	0.3
Exercise of options	326,757	0.9	825,005	2.3	—	—
Share purchase plans	(151,250)	—	(105,875)	—	(2,325,000)	—
Exchange for shares of a subsidiary	2,122	—	6,375	—	802	—
Net increase in common shares outstanding	10,675,472	33.4	10,492,157	47.3	7,334,370	26.1
Common shares outstanding, beginning of year	267,889,303	209.6	257,397,146	162.3	250,062,776	136.2
Common shares outstanding, end of year(1)	278,564,775	$243.0	267,889,303	$209.6	257,397,146	$162.3

(1) For the calculation of net loss per common share, the weighted average number of common shares outstanding less the company's pro rata interest in its outstanding common shares held by Dome Mines is used.

At December 31, 1984, 19,761,707 shares were reserved for issue as follows: 13,903,882 under the company's employee share and incentive plans, 5,750,000 for other options and 107,825 for shares of a subsidiary not yet presented for exchange.

(a) Employee share and incentive plans

In 1982, the shareholders approved a By-law, as amended in 1984, under which the directors were authorized to provide various incentives and awards to employees of the company. The more important features of this By-Law are as follows:

(i) 35,000,000 common shares were reserved for issue to the Employee Profit Sharing Plan at prevailing market prices, of which 29,269,738 shares have been issued to December 31, 1984; and

(ii) 10,000,000 common shares were reserved for Employee Share Bonus Plans and stock options, of which 1,805,087 shares have been issued to December 31, 1984, 21,293 are no longer reserved as a result of the exercise of stock appreciation rights and an additional 7,116,570 shares have been allocated to meet stock options granted to officers and other key employees. In 1984, the By-law was amended to provide a stock appreciation right which permits employees to surrender exercisable stock options and receive common shares equal in aggregate market value to the difference between the current market price per share and the option price per share multiplied by the number of surrendered options.

Details of stock options granted and exercised under the By-law are as follows:

Shares under option	Number of common shares	Option price Per Share(3)	Option price Total(4)	Market price Per Share(3)	Market price Total(4)	
Granted during 1982:						
Officers(1)	1,363,000	$3.50	$ 4.8	$3.50	$ 4.8	(A)
Other key employees	6,319,175	2.75	17.4	2.75	17.4	(A)
December 31, 1982	7,682,175		22.2			
Granted during 1983:						
Officers(2)	388,500	3.90	1.5	3.90	1.5	(A)
Other key employees	163,950	5.16	0.8	5.16	0.8	(A)
Exercised during 1983:						
Officers	(29,000)	3.50	(0.1)	5.68	0.2	(B)
Other key employees	(796,005)	2.75	(2.2)	5.62	4.5	(B)
December 31, 1983	7,409,620		22.2			
Granted during 1984:						
Other key employees	55,000	3.04	0.2	3.04	0.2	(A)
Exercised during 1984:						
Other key employees	(348,050)	2.75	(1.0)	3.74	1.3	(B)
Options not yet exercised	7,116,570		$21.4			

(A) At date options were granted
(B) At date options were exercised
(1) Including two officers who were also directors.
(2) Including three officers, two of whom were then directors, one of whom has since become a director.
(3) Weighted average price.
(4) In millions of Canadian dollars.

Of the options granted and not yet exercised at December 31, 1984, 6,835,870 were then exercisable and the remaining 280,700 were exercisable on varying dates to 1993.

(b) Other options

Independent of the employee share and incentive plans, an option to purchase 3,000,000 common shares at a price of $5.875 per share was granted to Mr. J. H. Macdonald, Chairman and Chief Executive Officer of the company, in 1983. The option is for a term of ten years exercisable from October 1, 1983. The company has also agreed with him that if his incentive option should expire without, in effect, his having realized at least one million dollars therefrom, the difference will be paid to him or his estate in cash.

In 1983, the company granted to Morgan Stanley & Co. Incorporated, an option to acquire 2,750,000 common shares of the company at $5.60 per share until November 3, 1988, in partial consideration of financial advisory services performed.

(c) Share purchase plans

At December 31, 1984, 2,582,125 previously issued common shares have been surrendered and cancelled following the termination of certain share purchase plans. These capital transactions reduced other assets and increased the deficit by $1.6 million, $1.0 million and $23.9 million in each of the years 1984, 1983 and 1982 respectively.

The company has made interest free loans to trustees to enable certain present and past officers to purchase shares from the company under share purchase plans. At December 31, 1984, $5.6 million (1983 — $5.9 million) was receivable under the above arrangements and is included in other assets.

(d) Other

During 1982 retained earnings were charged with $11.3 million (net of deferred income taxes amounting to $10.9 million) as a result of the disposition of 1,369,500 common shares of the company held by an acquired company.

11. Contributed surplus

Changes in contributed surplus during the three years ended December 31:

	1984	1983	1982
Contributed surplus, beginning of year	$ 7.5	$5.2	$2.8
Gain on purchase and cancellation of Series A and Series B preferred shares	2.5	2.3	2.4
Gain on expiry of common share warrants, net of deferred income taxes of $11.5 million	35.7	—	—
Contributed surplus, end of year	$45.7	$7.5	$5.2

12. Write-down of assets

In 1983, the company reviewed all of its assets with particular attention to assets not identified with strategic areas of operation and wrote down the carrying values of such assets in the amount of $1,099.0 million before deferred income taxes of $202.1 million. This write-down was comprised of the following items:

(a) $453.4 million, before deferred income taxes of $136.8 million, related to certain acquisition and exploration costs incurred in the frontier areas which were previously held to be recoverable. The company no longer expects to fund exploration prospects on certain lands where dry holes or non-commercial gas discoveries have been drilled and as a result such costs were charged to income;

(b) $463.7 million, before deferred income taxes of $25.0 million, that represented a majority of the costs related to the company's mining assets including Cyprus and various coal properties, and certain ancillary business interests including Davie. Such assets were not included in the company's three strategic areas of operations and were written down to estimated realizable value in anticipation of their disposition;

(c) $84.0 million, before deferred income taxes of $40.3 million, related to costs of certain projects which were deferred or terminated and certain other costs related to the company's refinancing activities; and

(d) $97.9 million in the carrying value of its United States oil and gas properties (including $11.0 million related to equipment inventory) following a detailed review of oil and gas reserves and exploratory acreage.

At December 31, 1982 the company determined that, primarily due to declines in oil and gas prices and property values, a write-down of $213.6 million in the carrying value of its United States oil and gas properties was required. The company sold its United States oil and gas properties in 1983.

13. Disposal of assets

During 1984, the company sold certain assets, including its 22.9% interest in Sovereign Oil & Gas PLC, for total proceeds of $138.8 million which resulted in a gain of $39.8 million before deferred income taxes of $9.8 million.

During 1983, the company sold certain of its assets which were determined not to be of a strategic business nature. These assets included virtually all of its producing and exploratory lands in the United States, but did not include any portion of its interest in the Cochin Pipeline system. The proceeds on sale of the United States oil and gas assets (including $9.9 million of related inventory) amounted to $241.7 million. The company also disposed of its interest in TransCanada PipeLines Limited ("TransCanada") for $263.1 million. Proceeds on total asset disposals were $563.1 million which resulted in a loss of $65.0 million before deferred income tax charges of $11.6 million.

During 1982, the company sold certain of its assets including its oil and gas interests in Indonesia, Australia, Brazil, Egypt and the Netherlands. The total sales proceeds were $413.9 million which resulted in a loss of $154.6 million before deferred income taxes of $54.2 million.

14. Net loss per common share

Net loss per common share is calculated, after deduction of preferred share dividends, using the weighted average number of common shares outstanding, which amounts have been reduced by the company's pro rata interest in its outstanding common shares held by Dome Mines.

	Years ended December 31,		
	1984	1983	1982
	(In millions, except per share amounts)		
Weighted average number of common shares outstanding during the year	273.5	262.8	250.3
Less pro rata interest in outstanding shares held by Dome Mines	(25.0)	(26.0)	(26.5)
	248.5	236.8	223.8
Net loss per common share	$0.84	$4.72	$1.71

15. Consolidated statements of cash flows

In 1984, the consolidated statements of cash flows have been prepared on the basis of changes in the company's cash resources which are comprised of cash and short term deposits, net of short term bank loans. In prior years, the company prepared its statements of changes in financial position on the basis of changes in working capital.

(a) Operating activities

(i) Cash operating income is derived from the consolidated statements of operations as follows:

	Years ended December 31,		
	1984	1983	1982
Revenue	$2,447.6	$2,594.6	$2,849.8
Cash operating expense			
Crude oil and natural gas	268.4	249.2	264.7
Natural gas liquids	833.6	894.9	804.7
Contract drilling	171.3	221.0	315.7
Other	11.9	119.0	324.8
	1,285.2	1,484.1	1,709.9
Cash operating income	$1,162.4	$1,110.5	$1,139.9

(ii) Interest and financing (comprised of interest on long term debt, other interest and financing charges and preferred share dividends of subsidiaries) and general and administrative expense are before deduction of capitalized amounts of $81.1 million, $165.9 million and $266.7 million in 1984, 1983 and 1982 respectively.

(b) Investment activities

Expenditures on property, plant and equipment are before the capitalized items referred to under operating activities above, as follows:

	Years ended December 31,		
	1984	1983	1982
Capital expenditures (as detailed in Business Segments in Note 18)	$210.2	$ 453.1	$ 862.3
Deduct:			
Capitalized interest	(51.7)	(136.8)	(212.9)
Capitalized general and administrative expense	(29.4)	(29.1)	(53.8)
	$129.1	$ 287.2	$ 595.6

(c) Changes in working capital

	Years ended December 31, 1984	1983	1982
(i) Changes in cash:			
Cash and short term deposits			
Restricted	$(24.9)	$108.3	$ —
Unrestricted	83.0	69.6	(30.9)
Short term bank loans	79.9	129.4	6.6
Increase (decrease) in cash	$138.0	$307.3	$(24.3)
(ii) Changes in other working capital items:			
Accounts receivable			
Dome Canada	$ 30.4	$ 62.6	$ (65.7)
Other	76.3	165.2	22.6
Inventories			
Product	(9.9)	31.5	(4.1)
Material and supplies	22.8	108.4	29.7
Accounts payable and accrued liabilities			
Dome Canada	(172.4)	(13.6)	137.3
Other	9.1	(107.3)	104.5
Income and other taxes payable	(446.9)	220.5	240.9
Long term debt due within one year	(2,031.2)	8.0	2,077.8
	(2,521.8)	475.3	2,543.0
Add (deduct) reclassified liabilities:			
Long term debt due within one year	2,031.2	(8.0)	(2,077.8)
PGRT liabilities	204.1	—	—
Dome Canada promissory note	112.5	—	—
Short term bank loans	74.9	—	—
Deferral of HBOG current income taxes	256.5	(134.3)	(122.2)
Changes in other working capital items having a cash effect	$ 157.4	$ 333.0	$ 343.0

Changes in other working capital items having a cash effect relate to the following activities and are included in Other — net:

	Years ended December 31, 1984	1983	1982
Investment	$ 10.3	$137.9	$(20.5)
Financing	147.1	195.1	363.5
	$157.4	$333.0	$343.0

16. Acquisitions

In 1982, the company acquired all the outstanding shares of HBOG not already owned in exchange for securities valued at $2,065.4 million consisting of 35,920,680 Class A Preferred Shares of Dome Resources and 47,894,240 common share warrants of the Company valued for accounting purposes at $47.2 million. On the same date three other companies acquired a 34.1% aggregate interest in HBOG as follows: Dome Canada acquired an 11.1% interest for a consideration of $488.0 million in cash and marketable securities; Maligne acquired a 10.0% interest for a consideration of $451.0 million consisting of $192.0 million in cash, an account receivable of $19.0 million and a $240.0 million account receivable for the balance of the purchase price to be repaid over nine years with interest; and TCPL Resources Ltd., a wholly-owned subsidiary of TransCanada, acquired a 13.0% interest for a consideration of $560.0 million in cash.

The net acquisition costs of $670.3 million were allocated as follows (in millions):

Value attributed to net property, plant and equipment	$182.9
Assumption of deferred revenue	39.0
Minority interest acquired	450.4
Disposition of inventory	(2.0)
	$670.3

17. Related party transactions

(a) Dome Canada

The company is party to certain agreements with Dome Canada which enable Dome Canada to earn interests in certain exploratory and development lands, excluding certain lands in western Canada which currently have productive capability and oil sands properties, in return for the obligation to fund exploration and development, including the drilling of exploratory wells and geological and geophysical surveys. Subsequent development costs will be borne by the company and Dome Canada in proportion to their respective interests. The operations of Dome Canada, including the majority of its administration, are carried out by the company on behalf of Dome Canada.

Dome Canada holds a secured promissory note of the company in the amount of $112.5 million which bears interest at prime plus 5% and is repayable on January 2 in each of the following years (in millions): 1986 – $11.2; 1987 – $16.9; 1988 – $22.5; 1989 – $28.1; and 1990 – $33.8. During 1984 the company paid interest to Dome Canada of $15.1 million (1983 – $12.0 million; 1982 – $12.2 million) in respect of this note.

With respect to the Dome Exploratory Lands Agreement and the Corporate Services Agreement, the company charged Dome Canada during 1984 the following:

(i) $200.5 million (1983 – $296.7 million; 1982 – $446.6 million) with respect to capital expenditures for exploration, development and Beaufort Sea drilling services;

(ii) $5.1 million (1983 – $5.9 million; 1982 – $6.5 million), inclusive of out of pocket expenses, with respect to corporate services; and,

(iii) Dome Canada advanced to the company on January 1, 1984, $52.6 million (1983 – $60.0 million), an amount equal to ⅛ of Dome Canada's budgeted annual capital expenditures. This amount was refunded to Dome Canada on December 31, 1984. Monthly cash advances are now made in accordance with industry practice.

(b) Dome Mines

During 1984, the company paid to Dome Mines $10.8 million (1983 – $11.8 million; 1982 – $8.2 million) with respect to a $225.0 million guarantee of certain term bank loans.

(c) TransCanada

Revenue and cost of product arising from transactions with TransCanada and included in the consolidated statements of operations during 1982 amounted to $267.2 million and $30.5 million respectively.

18. Information by business segment and geographic area

The Board of Directors of the company has determined that the principal business segments of the company are:

Crude oil and natural gas — Exploration, development and production activities for crude oil and field liquids, natural gas, sulphur and oil sands.

Natural gas liquids — The extraction, purchase, transportation and marketing of natural gas liquids.

Contract drilling — Drilling and dredging contracting in the Beaufort Sea.

The information for 1983 and 1982 includes the consolidation of Davie and Cyprus for 12 months with respect to revenues, expenses, capital expenditures and depletion, depreciation and amortization.

Business segments	1984	1983	1982
Revenue			
Crude oil and natural gas	$1,088.3	$ 946.4	$1,003.8
Natural gas liquids	1,012.5	1,135.4	1,044.3
Contract drilling	335.7	409.3	505.7
Other operating	11.1	103.5	296.0
	$2,447.6	$2,594.6	$2,849.8
Transfers between business segments (not included above)			
Crude oil and natural gas	$ 43.4	$ 30.5	$ 49.5
Contract drilling	0.4	2.4	1.4
Eliminations	(43.8)	(32.9)	(50.9)
	$ —	$ —	$ —

Business segments	1984	1983	1982
Operating income			
Crude oil and natural gas	$532.4	$437.2	$516.7
Natural gas liquids	158.5	219.8	214.2
Contract drilling	112.2	145.6	153.2
Other operating	(22.8)	(43.9)	(57.2)
	780.3	758.7	826.9
Gain (loss) on write-down and disposal of assets			
Crude oil and natural gas	0.4	(667.2)	(355.3)
Natural gas liquids	0.7	—	—
Contract drilling	2.3	(12.0)	—
Other operating	6.2	(459.5)	(10.9)
	9.6	(1,138.7)	(366.2)
Loss (income) before corporate revenue and expense	(789.9)	380.0	(460.7)
Corporate (revenue) and expense			
General and administrative expense — net	82.9	110.7	98.7
Interest and financing charges — net	822.6	613.5	643.5
Loss (gain) on disposal of investments and corporate assets	(30.2)	(21.3)	2.0
Write-down of corporate assets	—	46.6	—
Foreign exchange	123.0	26.6	22.6
Preferred share dividends of subsidiaries	15.7	34.1	163.5
Other corporate revenue	(36.9)	(14.9)	(67.1)
Gain on cancellation of preferred shares	—	—	(70.0)
Income taxes	38.1	(26.1)	93.9
Equity in earnings of associated companies	(28.5)	(44.2)	(57.1)
	986.7	725.0	830.0
Net loss	$196.8	$1,105.0	$369.3
Identifiable assets			
Crude oil and natural gas	$5,534.5	$5,671.8	$6,616.5
Natural gas liquids	758.1	818.0	914.2
Contract drilling	447.7	577.0	668.7
Other operating	11.8	99.3	704.4
	6,752.1	7,166.1	8,903.8
Deferred foreign exchange	140.8	73.2	—
Investments	549.5	550.6	784.6
Other corporate	473.3	388.1	228.2
	$7,915.7	$8,178.0	$9,916.6
Capital expenditures			
Crude oil and natural gas	$178.8	$358.8	$750.7
Natural gas liquids	13.5	11.6	32.8
Contract drilling	9.7	17.4	45.8
Other	8.2	65.3	33.0
	$210.2	$453.1	$862.3
Depletion, depreciation and amortization			
Crude oil and natural gas	$287.5	$260.0	$222.4
Natural gas liquids	20.4	20.7	25.4
Contract drilling	52.2	42.7	36.8
Other	22.0	28.4	28.4
	$382.1	$351.8	$313.0

Geographic areas	1984	1983	1982
Revenue			
Canada	$2,121.1	$2,165.6	$2,338.4
United States	326.5	429.0	479.6
Other foreign	—	—	31.8
	$2,447.6	$2,594.6	$2,849.8
Transfers between geographic areas			
Canada	$ 252.7	$ 305.4	$ 310.2
United States	31.2	16.1	22.8
Eliminations	(283.9)	(321.5)	(333.0)
	$ —	$ —	$ —
Operating Income			
Canada	$ 746.5	$ 736.5	$ 790.6
United States	33.8	22.2	30.4
Other foreign	—	—	5.9
	780.3	758.7	826.9
Gain (loss) on write-down and disposal of assets			
Canada	9.6	(968.0)	(10.9)
United States	—	(170.7)	(213.6)
Other foreign	—	—	(141.7)
	9.6	(1,138.7)	(366.2)
Loss (income) before corporate expense corporate expense (as detailed in Business Segments)	(789.9)	380.0	(460.7)
Net loss	$ 196.8	$ 1,105.0	$ 369.3
Identifiable assets			
Canada	$7,052.9	$7,332.1	$8,515.3
United States	172.5	222.1	595.2
Other foreign	—	—	21.5
	7,225.4	7,554.2	9,132.0
Deferred foreign exchange	140.8	73.2	—
Investments	549.5	550.6	784.6
	$7,915.7	$8,178.0	$9,916.6

The majority of the crude oil land natural gas produced in Canada by the company is sold to government marketing agencies or transmission companies. Approximately 81% of the company's domestic crude oil production is sold to the Alberta Petroleum Marketing Commission, a provincial government agency. The largest customer for natural gas is TransCanada, which accounts for approximately 48% of the company's total natural gas sales. The nature of the company's marketing arrangements is such that the portion of the company's Canadian crude oil and natural gas production that is ultimately exported cannot be readily identified. The transfers between geographic segments reported above are sales of natural gas liquids.

19. Pension and savings plans

The company's voluntary contribution pension plan and Employee Profit Sharing Plan are available to substantially all of its permanent employees. Employee and company contributions made under the pension plan are paid to, and invested by, an insurance company. Similar contributions made under the Employee Profit Sharing Plan are invested by the trustees in the common shares of the company on behalf of the employees. Pension costs are funded in accordance with actuarial requirements. Amounts charged to income to fund the plans (in millions) were: 1984 — $30.3; 1983 — $37.6; 1982 — $36.3. There are no material unfunded past service liabilities at December 31, 1984.

20. Contingencies and commitments

In addition to the commitments described under Debt Rescheduling Agreement in Long Term Debt, the company has the following contingent liabilities:

(a) The company is contingently liable for $225.0 million advanced to Dome Canada by the Arctic Petroleum Corporation of Japan.

(b) In 1983, Revenue Canada-Taxation issued reassessments to the company disallowing the frontier exploration allowance claimed in 1980. Management believes that these amounts were validly claimed and intends to contest the issue. If the company is not successful, a prior period adjustment will be made relating to 1980 which will increase the deficit and deferred income taxes by $44.3 million.

There are no pending legal proceedings to which the company or any of its subsidiaries is a party, or of which any of their properties is the subject, that in management's view would have a material effect on the company's consolidated financial position or results of operations.

21. Differences between Canadian and United States generally accepted accounting principles

The consolidated financial statements of the company have been prepared in accordance with accounting principles generally accepted in Canada ("Canadian basis"). These principles differ in some respects from those applicable in the United States ("U.S. basis") as disclosed below.

Statements of Operations	Years ended December 31,		
	1984	1983	1982
Net loss in accordance with the Canadian basis as reported	$196.8	$1,105.0	$369.3
Add (deduct) adjustments for:			
Full cost accounting[(a)]	–	(341.1)	–
Foreign currency translation[(b)]	67.6	2.0	44.9
Investment tax credit[(c)]	6.1	(6.0)	3.5
Other[(d)]	–	(3.4)	(4.2)
Net loss in accordance with U.S. basis	$270.5	$ 756.5	$413.5
Net loss per common share in accordance with U.S. basis	$1.14	$3.24	$1.91

Balance Sheets	December 31,			
	1984		1983	
	Canadian basis	U.S. basis	Canadian basis	U.S. basis
Investment in Dome Canada	$ 412.7	$ 437.2	$ 413.0	$ 437.5
Property, plant and equipment	6,094.8	6,548.2	6,359.4	6,812.8
Deferred foreign exchange	140.8	–	73.2	–
Deferred income taxes	668.1	719.2	369.2	414.2
Redeemable preferred shares issued by the company	97.9	206.8	97.9	210.7
Preferred shares	108.9	–	112.8	–
Deficit[(e)]	710.6	424.6	496.4	136.7

Notes to Statements of Operations and Balance Sheets

(a) Under full cost accounting regulations prescribed by the United States Securities and Exchange Commission, the company is required to accumulate all costs of exploring for and developing oil and gas and related reserves in a single cost centre for Canadian operations. Under these regulations certain costs incurred in frontier areas would not have been charged against income in 1983. The effect of the differing accounting regulations is not material for the year ended December 31, 1984.

(b) FASB Statement No. 52 requires that long term liabilities payable in foreign currencies be translated at the rates of exchange prevailing at the balance sheet date with the resulting translation gains and losses being included in income in the current period. In Canada effective December 31, 1983 these exchange gains and losses are deferred and, commencing January 1, 1984, amortized over the term of the related liabilities. See Changes in Accounting Policies — Foreign Currency Translation.

(c) Under United States generally accepted accounting principles, the company is required to deduct from the provision for deferred income taxes a portion of the available investment tax credit on eligible expenditures. In Canada, the investment tax credit is only deductible to the extent that the company believes that it will be realized as a deduction from income taxes.

(d) Comprised of interest capitalized by an equity accounted associate not in accordance with FASB Statement No. 34, and a gain relating to shares in TransCanada which under United States accounting practice would be included in contributed surplus. The difference related to these amounts was eliminated in 1983 when the company sold its investment in TransCanada. The company also realized a gain of $10.2 million in 1984 related to an equity issue by Dome Mines. This gain is included in non-operating income in accordance with current United States accounting practice which previously required such gains to be included in contributed surplus.

(e) At December 31, 1984, the deficit of the company included $124.4 million representing the company's proportionate share of the cumulative undistributed earnings of equity accounted associates. The company has not provided for income taxes on this amount as dividends flow tax free between these Canadian companies.

22. Subsequent events

(a) On February 5, 1985 the company and certain of its lenders closed the Debt Rescheduling Agreement effective December 31, 1984.

(b) On February 5, 1985, in connection with the closing of the Debt Rescheduling Agreement, the company issued 12,223,757 common shares at $2.22 per common share having an aggregate value of $27.1 million from which no cash proceeds were received.

(c) On March 11, 1985, the company sold all of its shares in Davie for nominal consideration.

Unaudited Supplementary Information

Quarterly Financial Information

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

	Quarters Ended				
	March 31	June 30	Sept. 30	Dec. 31	Full Year
	(thousands of Canadian dollars, except per share)				
1984					
Revenue	$54,035	$56,839	$51,615	$52,605	$215,094
Operating income	$20,448	$19,375	$15,613	$9,458	$64,894
Losses related to Dome Petroleum[1]	$(8,905)	$(15,626)	$(2,020)	$(29,146)	$(55,697)
Net income (loss)	$(1,473)	$(9,357)	$4,874	$(19,718)	$(25,674)
Net income (loss) per share	$(0.02)	$(0.13)	$0.07	$(0.28)	$(0.36)
1983					
Revenue	$66,430	$62,728	$54,672	$50,925	$234,755
Operating income	$41,469	$34,736	$28,417	$18,016	$122,638
Gain (loss) on investments	$22,835	$12,721	—	$(1,840)	$33,716
Share of earnings (losses) of Dome Petroleum[1][2]	$(3,347)	$(24,542)	$1,498	$(264,556)	$(290,947)
Net income (loss)	$24,718	$508	$11,557	$(253,218)	$(216,435)
Net income (loss) per share	$0.35	$0.01	$0.17	$(3.62)	$(3.09)

(1) Reference should be made to note 1(c) to the Consolidated Financial Statements of Dome Mines and note 3 to the Dome Petroleum consolidated financial statements with respect to changes in accounting policies adopted by Dome Petroleum in the fourth quarter of 1983.

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

Effects of Changing Prices

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

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

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

With respect to oil and gas properties, it has been estimated by management that their historical costs approximate current costs and, accordingly, no adjustments have been made. No current cost adjustments have been made to reflect the impact of changing prices on the Company's investment in Dome Petroleum.

Costs incurred for property acquisition, exploration and development activities

	1984	1983	1982
	(thousands of Canadian dollars)		
Property acquisitions —			
Proved	$ —	$ —	$ 1,059
Unproved	388	(17)	8,437
Exploration	5,851	2,497	1,916
Development	1,528	691	1,805
	$7,767	$3,171	$13,217
Proportionate share of costs incurred by Dome Petroleum			
Canada	$41,330	$82,164	$163,869
Foreign	—	6,182	25,822
	$41,330	$88,346	$189,691

Results of operations for oil and gas producing activities

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

	1984	1983	1982
	(thousands of Canadian dollars)		
Campbell and Sigma —			
Revenue	$15,667	$12,962	$11,408
Production costs	4,690	4,139	3,461
Depreciation and depletion	7,516	4,277	2,562
	12,206	8,416	6,023
Income before income taxes	3,461	4,546	5,385
Income taxes	1,318	1,819	1,768
Results of operations from producing activities	$ 2,143	$ 2,727	$ 3,617
Proportionate share of Dome Petroleum			
Canadian	$48,905	$(41,331)	$64,414
Foreign	—	(47,364)	(4,178)
	$48,905	$(88,695)	$60,236

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

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

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

	Years ended December 31		
	1984	1983	1982
	(thousands of Canadian dollars)		
Cash inflows	$322,800	$ 296,500	$ 278,500
Production and development costs	(73,300)	(103,900)	(85,000)
Income taxes	(95,900)	(78,841)	(119,400)
Net cash flows	153,600	113,759	74,100
10% annual discount for estimated timing of cash flows	(74,900)	(51,416)	(45,200)
Standardized measure of discounted future net cash flows	$ 78,700	$ 62,343	$ 28,900
Proportionate interest of minority shareholders of Campbell and Sigma	$32,317	$25,844	$11,925
Proportionate interest in standardized measure of discounted future net cash flows of Dome Petroleum	$779,365	$819,645	$834,273

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

	Years ended December 31		
	1984	1983	1982
	(thousands of Canadian dollars)		
Sales, net of production costs	$ (11,100)	$(9,548)	$ (7,947)
Net changes in prices and production costs	(2,243)	158	(3,104)
Extensions, discoveries and improved recovery, less related costs	5,900	3,500	4,600
Development costs incurred during the year	1,500	718	1,805
Revisions of previous quantity estimates(1)	6,300	(6,400)	(1,700)
Accretion of discount	9,000	7,680	10,830
Net changes in income taxes	(12,900)	2,800	(8,510)
Reduction in future crown royalty payments	1,600	—	—
Petroleum and gas revenue tax allowance	9,400	—	—
Change in production schedule	8,900	—	—
Other adjustments and changes	—	2,892	(1,641)
Net increase (decrease)	16,357	1,800	(5,667)
Standardized measure,			
Beginning of year, as previously reported	62,343	28,900	34,567
Reduction in future crown royalties	—	12,886(2)	—
Net changes in income taxes	—	18,757(3)	—
Beginning of year, as restated	62,343	60,543	34,567
End of year	$ 78,700	$62,343	$28,900

(1) Revisions of previous quantity estimates represent the dollar value of changes to proven reserves over and above those due to production, extensions, discoveries and improved recovery results.

(2) Represents estimated future crown royalty rebates not previously included in net sales price.

(3) Includes an adjustment for tax pools not previously included in the 1982 and prior years' computation of income taxes.

Five Year Operations Review

	1984	1983	1982	1981	1980[3]
Mining					
Dome Mine					
Ounces of gold produced	**118,472**	138,020	85,201	73,131	85,893
Tons milled (000's)	**860**	762	708	557	678
Operating cost per ton	**$49.30**	$49.84	$44.30	$45.09	$33.47
Operating cost per ounce	**$358**	$275[1]	$368	$343	$264
Total reserves (000's of tons)	**2,629**	2,600	2,142	2,147	2,150
Grade (ounces per ton)	**0.170**	0.182	0.197	0.207	0.206
Number of employees	**810**	835	756	803	734
Campbell Mine					
Ounces of gold produced	**213,946**	219,200	217,158	200,528	189,536
Tons milled (000's)	**395**	390	392	370	304
Operating cost per ton	**$75.78**	$70.62	$67.56	$63.10	$52.08
Operating cost per ounce	**$140**	$126	$122	$116	$84
Total reserves (000's of tons)	**2,291**	2,329	2,310	2,316	2,250
Grade (ounces per ton)	**0.622**	0.622	0.622	0.620	0.617
Number of employees	**447**	437	427	426	382
Detour Lake Mine (50% share)					
Ounces of gold produced	**39,479**	5,937[2]			
Tons milled (000's)	**438**	124			
Operating cost per ton	**$53.23**	$66.76			
Operating cost per ounce	**$591**	$697			
Proven and probable ore reserves (000's of tons)	**5,450**	15,100			
Grade (ounces per ton)	**0.128**	0.113			
Number of employees	**303**	284			
Sigma Mine					
Ounces of gold produced	**56,980**	61,529	64,724	56,113	53,657
Tons milled (000's)	**478**	481	486	488	484
Operating cost per ton	**$45.92**	$42.85	$39.56	$34.27	$27.60
Operating cost per ounce	**$385**	$335	$297	$298	$249
Total reserves (000's of tons)	**1,215**	1,170	1,188	1,194	1,223
Grade (ounces per ton)	**0.198**	0.196	0.196	0.197	0.195
Number of employees	**420**	431	441	445	410
Dee Gold Mine (29⅓% share)					
Ounces of gold produced	**1,799**				
Oil and gas					
Production volumes					
Oil and natural gas liquids (000 bbls.)	**467**	430	366	438	201
Gas (mmcf)	**1,623**	1,330	1,299	1,192	562
Wells drilled (net)					
Oil	**9**	5	2	4	3
Gas	**4**	2	3	7	5
Dry	**2**	2	1	4	2
Total	**15**	9	6	15	10
Net proved reserves					
Oil and natural gas liquids (000 bbls.)	**6,258**	5,984	6,425	6,189	5,898
Gas (bcf)	**66.8**	61.8	66.5	66.7	39.0

(1) Excluding ounces of gold recovered from plant and equipment replaced as part of the mill expansion, operating cost in 1983 was $378 per ounce.

(2) Includes in 1983, two months operations of the Detour Lake Mine which began commercial production in November, 1983.

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

Five Year Consolidated Financial Review

(thousands of Canadian dollars, except per share)

Dome Mines Limited

	1984	1983	1982	1981	1980
Revenue:					
Mining	**$199,427**	$ 221,793	$171,204	$180,535	$237,541
Oil and gas	**15,667**	12,962	11,408	6,886	3,101
	$215,094	$ 234,755	$182,612	$187,421	$240,642
Operating income:					
Mining	**$ 67,854**	$ 123,606	$ 86,877	$107,230	$179,559
Oil and gas	**3,461**	4,546	5,385	3,811	1,572
	71,315	128,152	92,262	111,041	181,131
General corporate costs	**(6,421)**	(5,514)	(3,649)	(3,883)	(2,511)
Other income	**15,830**	50,710	16,433	18,834	16,405
Income and mining taxes	**(44,526)**	(78,677)	(50,376)	(60,592)	(106,259)
Share of earnings (losses) of:					
Dome Petroleum[1]	**(55,697)**	(290,947)	(110,449)	48,383	62,786
Canada Tungsten	**(1,173)**	(2,480)	(1,741)	532	4,588
Gain on issue of shares by Dome Petroleum	**6,724**	—	—	—	—
Minority interest in net income of subsidiary companies	**(11,726)**	(17,679)	(17,108)	(22,968)	(29,597)
Net income (loss)[1]	**$ (25,674)**	$(216,435)	$ (74,628)	$ 91,347	$126,543
Per share:					
Net income (loss)[1][2]	**$(0.36)**	$(3.09)	$(1.07)	$1.31	$1.81
Cash dividends[2] — Cdn.$ equivalent	**$0.12**	$0.11½	$0.10	$0.15¾	$0.22½
— U.S.$ equivalent	**0.09¼**	$0.09 3/10	$0.08	$0.13	$0.19
Cash provided by operating activities	**$59,214**	$93,383	$90,432	$77,374	$150,886
Revenue per ounce — Cdn $	**$463**	$522	$466	$547	$722
— U.S. $ equivalent	**$357**	$423	$377	$456	$617
Additions to property, plant and equipment:					
Mining	**$29,833**	$62,217	$78,040	$57,188	$20,621
Oil and gas	**$7,523**	$3,171	$13,217	$90,782	$65,263
Total assets	**$408,866**	$413,978	$691,929	$718,605	$535,445
Shareholders' equity	**$159,505**	$140,198	$361,576	$446,821	$367,930
Number of shareholders	**12,272**	11,714	11,441	11,072	9,328
Shares outstanding[2]	**80,606,053**	77,606,053	77,592,248	77,592,248	77,592,248
Price of common shares — TSE[2]					
High	**21⅛**	27¼	19¼	30¾	38½
Low	**8½**	13½	6½	18⅛	14¾
Exchange rates[3] —					
As at December 31	**1.3217**	1.2445	1.2297	1.1863	1.1945
Yearly average	**1.2971**	1.2334	1.2364	1.1993	1.1702
High for year	**1.3348**	1.2194	1.1863	1.1766	1.1423
Low for year	**1.2416**	1.2511	1.3002	1.2426	1.2109

[1] Equity in earnings (losses) of Dome Petroleum reflect certain changes in accounting policies adopted by Dome Petroleum in the five year period (see note 1(c) to the Company's consolidated financial statements and note 2 to the Dome Petroleum consolidated financial statements).

[2] Per share amounts and number of shares outstanding have been restated to reflect the four-for-one share split effective May, 1981.

[3] Exchange rates are expressed as the ratio of the amount of Canadian funds equivalent to one United States dollar.

Selected financial data prepared in accordance with United States accounting principles

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

	Years ended December 31				
	1984	1983	1982	1981	1980
	(thousands of Canadian dollars except per share)				
Share of earning (losses) of Dome Petroleum	**$(67,542)**	$(205,246)	$(120,441)	$53,283	$60,759
Net income (loss)	**$(44,243)**	$(130,734)	$(84,620)	$96,247	$124,516
Net income (loss) per share	**$(0.62)**	$(1.87)	$(1.22)	$1.38	$1.78
Property, plant and equipment	**$387,648**	$369,722	$316,486	$237,765	$95,878
Total assets	**$460,293**	$484,468	$676,851	$719,527	$531,467
Deferred income and mining taxes	**$121,158**	$108,878	$76,404	$66,276	$30,106
Shareholders' equity	**$217,567**	$216,829	$352,506	$447,743	$363,952

A discussion of differences between Canadian and United States generally accepted accounting principles is contained in Note 11 to the Consolidated Financial Statement of Dome Mines.

Share Information

Dome
Mines
Limited

Principal Markets for Company's Shares

Dome Mines' Common Shares are listed on the New York Stock Exchange in the United States, on The Toronto Stock Exchange and the Montreal Exchange in Canada and on the Paris Bourse in France. (Stock symbol: DM)

The New York Stock Exchange and The Toronto Stock Exchange are the principal exchanges on which the Common Shares are traded. Shown below are the high and low sale prices for the Common Shares on these exchanges for the periods indicated.

The Toronto Stock Exchange	1984		1983	
(Canadian dollars)	**High**	**Low**	High	Low
First Quarter	**$21⅛**	**$15¼**	$27¼	$17⅞
Second Quarter	**19¾**	**14⅞**	27	19⅝
Third Quarter	**15**	**11⅛**	23	16⅜
Fourth Quarter	**13½**	**8½**	17¾	13½
New York Stock Exchange				
(United States dollars)	**High**	**Low**	High	Low
First Quarter	**$16⅞**	**$12¼**	$22¼	$14½
Second Quarter	**15½**	**11⅜**	22	15⅞
Third Quarter	**11⅜**	**8¼**	18⅝	13¼
Fourth Quarter	**10¼**	**6½**	14¼	10⅞

Shareholders

As at April 23, 1985, there were 80,606,053 Common Shares issued and outstanding, of which 30,861,184 or approximately 38.3% were owned by Dome Petroleum. As part of its debt rescheduling arrangements, Dome Petroleum has covenanted to sell, by December 31, 1986, at least 10,000,000 of the Dome Mines Common Shares which it owns.

Dome Mines has entered into an agreement for the private placement of flow-through Common Shares to finance up to a maximum of $6,000,000 of its 1985 mineral exploration program in Canada. Pursuant to this agreement, Dome Mines will issue, during 1985, up to 344,827 Common Shares.

The Company's records indicate that there were 12,272 shareholders of record at January 28, 1985.

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

Dividends

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

	1984	1983
First quarter	**$0.03**	$0.02½
Second quarter	**0.03**	0.03
Third quarter	**0.03**	0.03
Fourth quarter	**0.03**	0.03
	$0.12	$0.11½

A regular quarterly dividend of $0.03 per Common Share was declared by the Board of Directors on March 27, 1985, payable May 27, 1985, to shareholders of record on April 22, 1985.

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

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

The Company and its predecessor company have paid dividends since 1920; however, the decision to pay dividends and the amount thereof is at the discretion of the Board of Directors and is governed by such factors as earnings, capital requirements and the operating and financial condition of the Company.

Consolidation Schedule

(thousands of Canadian dollars, except per share)

	1984			
	Dome Mines Limited	Campbell Red Lake Mines Limited	Sigma Mines (Quebec) Limited	Consolidated Dome Mines Limited
Dome Mines' ownership		56.9%	65.2%	
Revenue:				
Mining	$ 55,195	$117,686	$26,546	$199,427
Oil and gas		12,534	3,133	15,667
	55,195	130,220	29,679	215,094
Operating costs:				
Mining	48,268	59,418	23,887	131,573
Oil and gas	284	9,536	2,386	12,206
General corporate costs	3,788	2,052	581	6,421
	52,340	71,006	26,854	150,200
Operating income	2,855	59,214	2,825	64,894
Other income	13,712	1,000	1,118	15,830
	16,567	60,214	3,943	80,724
Income and mining taxes:				
Federal income taxes	4,931	15,930	1,111	21,972
Provincial income taxes	2,145	6,158	342	8,645
Provincial mining taxes	917	12,787	205	13,909
	7,993	34,875	1,658	44,526
	8,574	25,339	2,285	36,198
Share of losses of:				
Dome Petroleum	(55,697)			(55,697)
Canada Tungsten	(1,173)			(1,173)
Gain on issue of shares by Dome Petroleum	6,724			6,724
Minority interest		(10,930)	(796)	(11,726)
Dome Mines' share of net income (loss)	$(41,572)	$ 14,409	$ 1,489	$ (25,674)
Amount per share of Dome Mines	$(0.58)	$0.20	$0.02	$(0.36)
Working capital (deficiency)				
Current assets	$24,136	$57,353	$13,351	$ 91,739
Current liabilities	6,629	30,885	2,061	36,474
	$17,507	$26,468	$11,290	$55,265

1983				1982			
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
	56.9%	65.2%			56.9%	66.2%	
$ 72,881	$116,729	$32,183	$ 221,793	$ 40,242	$100,550	$30,412	$171,204
	10,367	2,596	12,962		9,126	2,282	11,408
72,881	127,096	34,779	234,755	40,242	109,676	32,694	182,612
42,073	34,427	21,687	98,187	34,924	28,635	20,768	84,327
93	6,647	1,676	8,416		4,816	1,207	6,023
2,884	2,083	547	5,514	1,960	1,287	402	3,649
45,050	43,157	23,910	112,117	36,884	34,738	22,377	93,999
27,830	83,939	10,869	122,638	3,358	74,938	10,317	88,613
36,585	10,759	3,366	50,710	10,265	5,349	819	16,433
64,415	94,698	14,235	173,348	13,623	80,287	11,136	105,046
14,127	19,791	3,142	37,060	3,334	17,636	2,668	23,638
5,982	8,730	817	15,529	1,500	6,728	522	8,750
6,058	18,309	1,721	26,088	377	16,261	1,350	17,988
26,167	46,830	5,680	78,677	5,211	40,625	4,540	50,376
38,248	47,868	8,555	94,671	8,412	39,662	6,596	54,670
(276,394)	(10,347)	(4,206)	(290,947)	(104,748)	(3,900)	(1,801)	(110,449)
(2,480)			(2,480)	(1,741)			(1,741)
	(16,185)	(1,494)	(17,679)		(15,473)	(1,635)	(17,108)
$(240,626)	$ 21,336	$ 2,855	$(216,435)	$ (98,077)	$ 20,289	$ 3,160	$ (74,628)
$(3.44)	$0.31	$0.04	$(3.09)	$(1.41)	$0.29	$0.05	$(1.07)
$11,478	$55,754	$17,638	$80,960	$28,942	$70,303	$9,584	$105,693
8,329	36,274	6,601	47,294	32,499	53,465	3,120	85,932
$3,149	$19,480	$11,037	$33,666	$ (3,557)	$16,838	$6,464	$ 19,761

Directors

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

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

***Alex E. Barron,**
Toronto, Ontario.
Vice Chairman,
Canadian General Investments
Limited

†***Maclean E. Jones, Q.C.,**
Calgary, Alberta.
Partner, Bennett Jones

‡†**Allen T. Lambert,**
Toronto, Ontario.
Chairman, Trilon Financial
Corporation

‡**J. Howard Macdonald,**
Calgary, Alberta.
Chairman and Chief Executive
Officer,
Dome Petroleum Limited

†°**A. Bruce Matthews,**
Toronto, Ontario.
President, Matthews and
Company, Inc.
Retired Chairman,
Dome Mines Limited

***H. John McDonald,**
Toronto, Ontario,
Chairman, Black & McDonald
Limited

‡***Clifford L. Michel,**
New York, New York.
Partner,
Cahill Gordon & Reindel

‡†°**J. Keith Reynolds,**
Toronto, Ontario.
Partner,
Alafin Consultants Limited

‡***Valentine N. Stock,**
Toronto, Ontario.
President and Chief Executive
Officer,
Canada Packers Inc.

Directors Emeritus

William F. James,
Toronto, Ontario.
Partner, James & Buffam,
Consulting Geologists.
A Director of the Company
1958-1983

James B. Redpath,
Toronto, Ontario.
President of the Company
1959-1978
and a Director 1956-1983

‡Executive Committee Member
†Management Resources and
Compensation Committee
Member
*Audit Committee Member
°Nominating Committee

Officers

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

C. Henry Brehaut,
President and
Chief Operating Officer

G. S. Wallace Bruce,
Vice President, Exploration

J. Scott Drever,
Vice President,
Corporate Development

Kenneth J. Hill,
Vice President

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

John W. W. Hick,
Secretary and
General Counsel

Victor A. Wells,
Controller

John H. Hough, Q.C.,
Assistant Secretary

Operations Management

Dome Mine
Harry V. Pyke,
General Manager,
Robert J. Perry,
General Superintendent,

Campbell Mine
Stewart M. Reid,
General Manager,
Keith H. Newman,
General Superintendent,

Detour Lake Mine
John S. Rogers,
Manager,

Sigma Mine
J. André Carrier,
General Manager,
Marc C. Tremblay,
General Superintendent,

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Toronto, Ontario

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The Bank of New York,
48 Wall Street
New York, N.Y. 10015

Share Listings
The Toronto Stock Exchange
Montreal Exchange
New York Stock Exchange
Paris Bourse

Annual Meeting
The Annual Meeting of Shareholders will be held in the Territories Room of the Royal York Hotel, Toronto, Ontario on May 29, 1985 at 11:00 a.m. (Toronto time).

Printed in Canada by
Norgraphics (Canada) Limited
Design: Break Pain &
Associates Limited