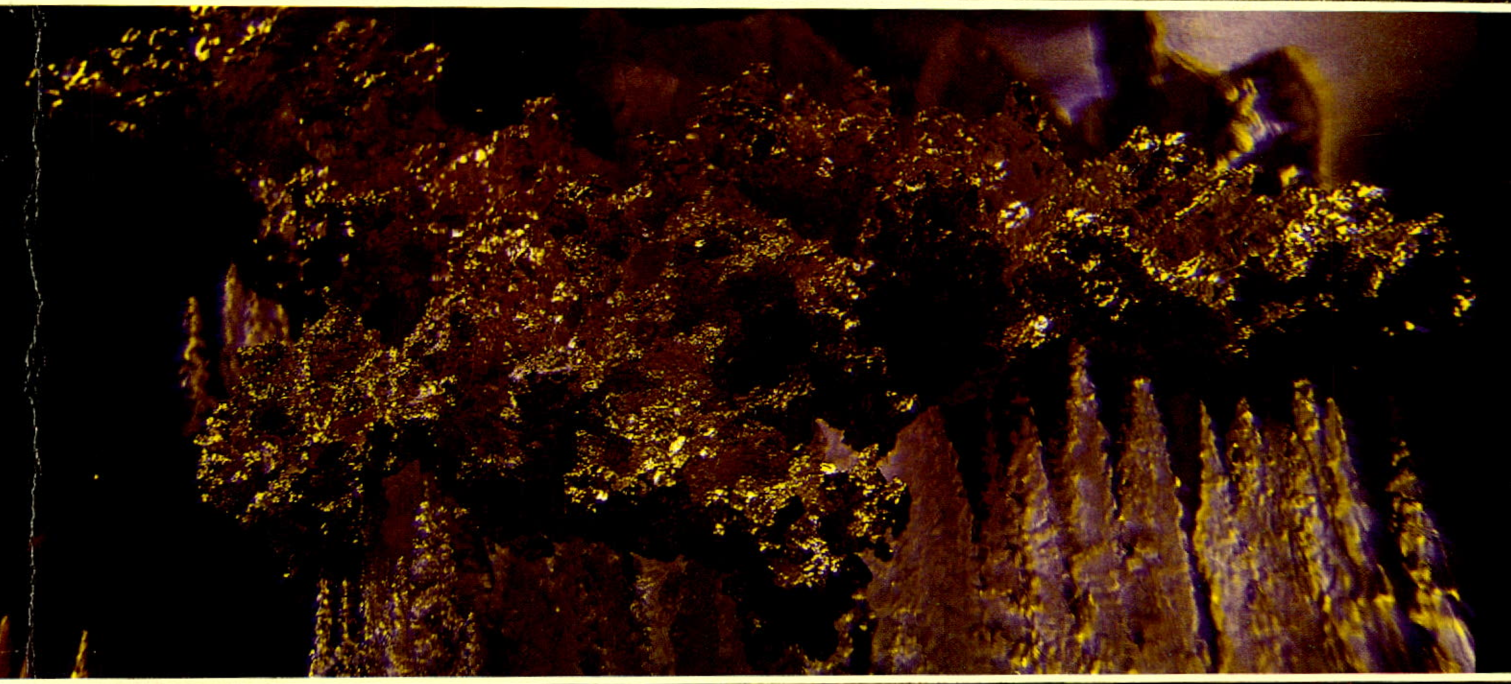
Annual Report 1986



PAMOUR

Commemorating 50 years of gold production

Profile

Following major acquisitions and corporate restructuring in 1986/1987, the Pamour Group of companies will produce in excess of 200,000 ounces of gold in fiscal 1987. Planned expansion of existing operations, combined with development of the largest gold tailings reclamation project in North America, are expected to produce in excess of 300,000 ounces of gold annually by 1990. Pamour's corporate organization in March 1987 is depicted in the chart on page 2.

Currency and Units Used

All currency amounts are in Canadian dollars, unless otherwise indicated.

The text of this report carries a mixture of imperial and metric units. Where appropriate equivalent values are given in both systems. The units are defined below, together with their conversion factors.
Short tons are stated as such throughout the text. One short ton comprises 2,000 pounds abbreviated to lb. The use of tonnes indicates the metric tonne equivalent to 1.1023 short tons. One ounce (troy) equals 31.1035 grams. It is customary to price gold in U.S. dollars per troy ounce (U.S.D. / ounce).
In future reports use will be made of one form of metric equivalent, namely U.S.D. / gram. For example, 450 U.S.D. / ounce equals approximately 14.5 U.S.D. / gram.

PAMOUR

COVER:
NATURAL, HIGH GRADE GOLD FROM PAMOUR NO. 1 MINE

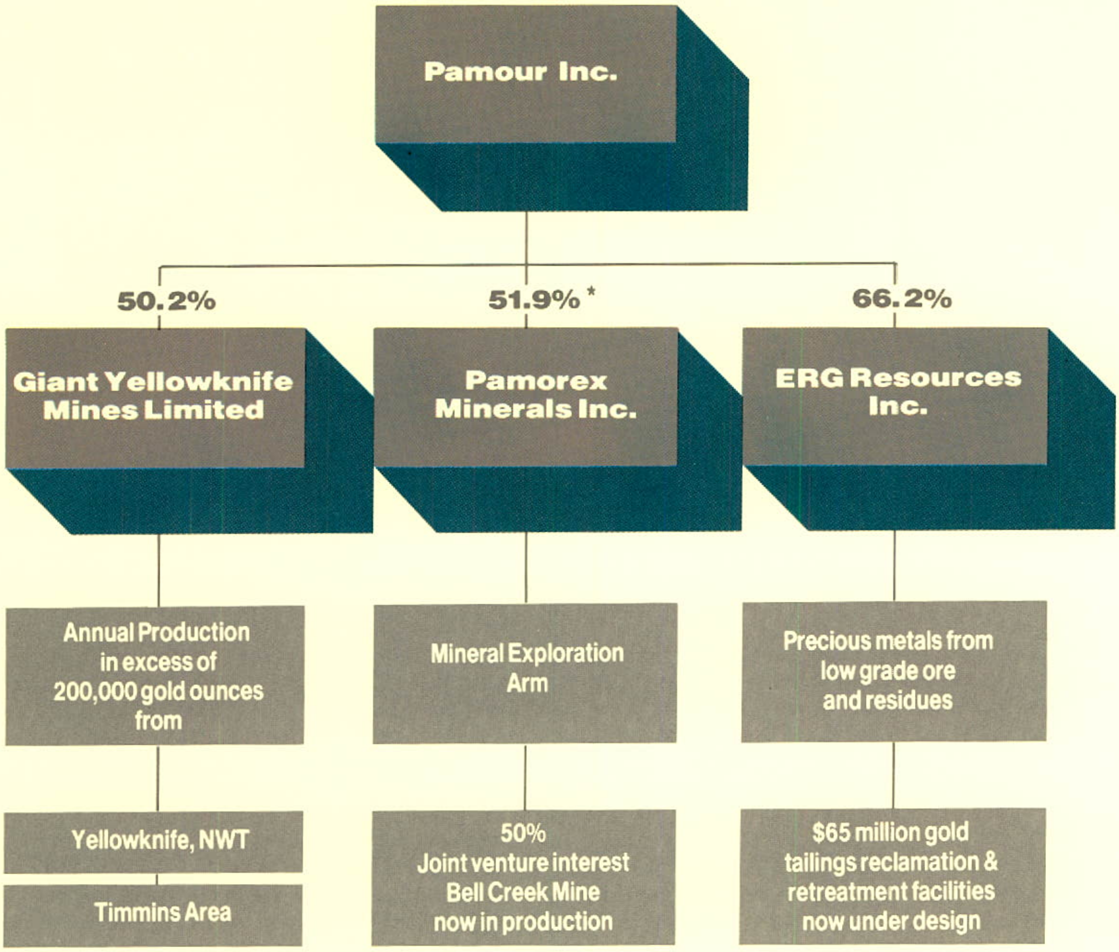
Highlights

- ☐ New equity and increased cash resources.
- ☐ Increased first quarter earnings, 1987.
- ☐ Major acquisitions 1986/1987:
  50.2% Giant Yellowknife Mines Limited
  66.2% ERG Resources Inc.
  51.9% Pamorex Minerals Inc.
- ☐ Increased reserves and production.

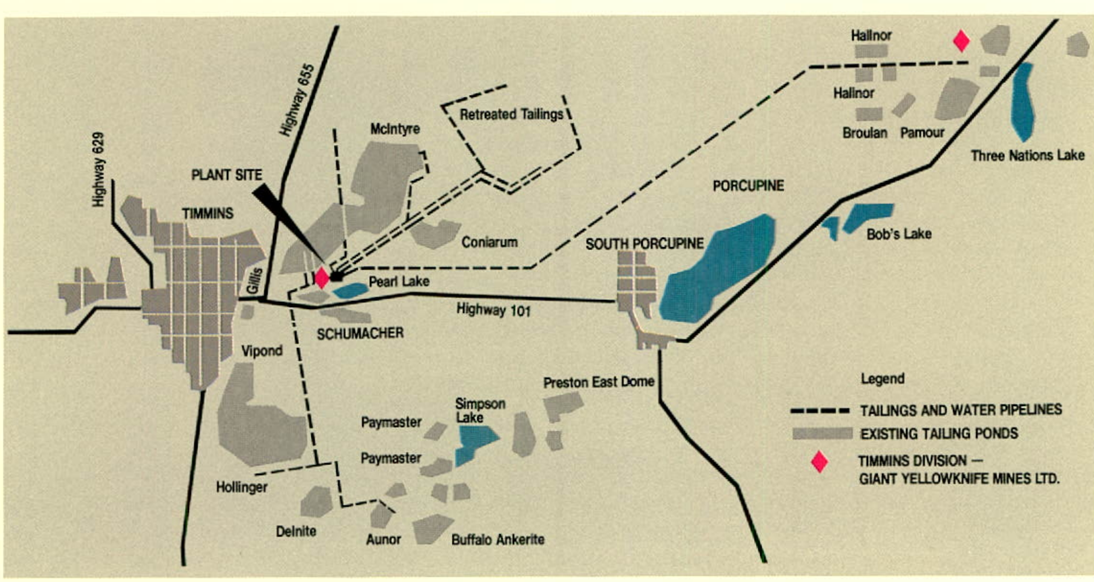
(thousands of Canadian Dollars except per share earnings)	First Quarter 1987*	**Year 1986**	Year 1985
Financial Results			
Revenue	$ 34,223	**$56,695**	$ 50,741
Operating income	4,142	**2,211**	763
Investment gains/income	523	**(426)**	11,214
Minority share of earnings	1,705	—	—
Net Earnings	**1,172**	**1,808**	**12,565**
Financial Position			
Current Assets	$ 62,067	**$13,548**	$8,605
Investments	2,241	**24,683**	302
Shareholders' Equity	77,720	**33,922**	15,423
Common Shares			
Number issued (thousands)	11,548	**8,277**	7,006
Net earnings per share	$ 0.12	**$ 0.25**	$ 1.79
Group Production			
Gold ounces	60,881	**110,849**	100,715
Silver ounces	43,906	**125,600**	49,112
Copper pounds	75,632	**220,000**	215,000

** Consolidates subsidiaries, effective January 1, 1987, unaudited, including Giant Yellowknife Mines Limited.*

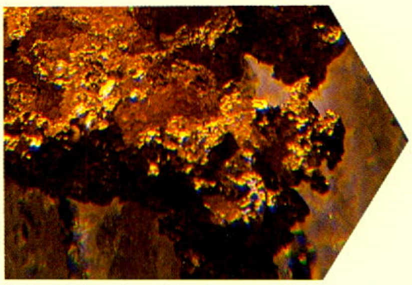
THE PAMOUR GROUP
March 1987



Subsequent financings by Pamorex by way of flow-through shares and by a public offering of common shares and share purchase warrants reduced Pamour's equity holding in Pamorex to 40.4%.



ERG Resources Inc. Major Tailings Sites Timmins Area



Directors' Report to Shareholders

The year 1986 marks the Corporation's 50th year of continuous gold production, a remarkable achievement considering the comparitively low ore grade on which the original Pamour No. 1 mine was founded. Today, the open pit and underground operations continue to exhibit profitability on an average grade of less than 0.1 ounces, making Pamour one of the most efficient mining groups in Canada.

This report contains a pictorial supplement featuring the Corporation's past and present workforce and management personnel. And it is largely thanks to their proven willingness and ability to recognize and react quickly to changing economic and other forces, that the Corporation can point proudly to fifty years of solid achievement for successive employees and shareholders alike.

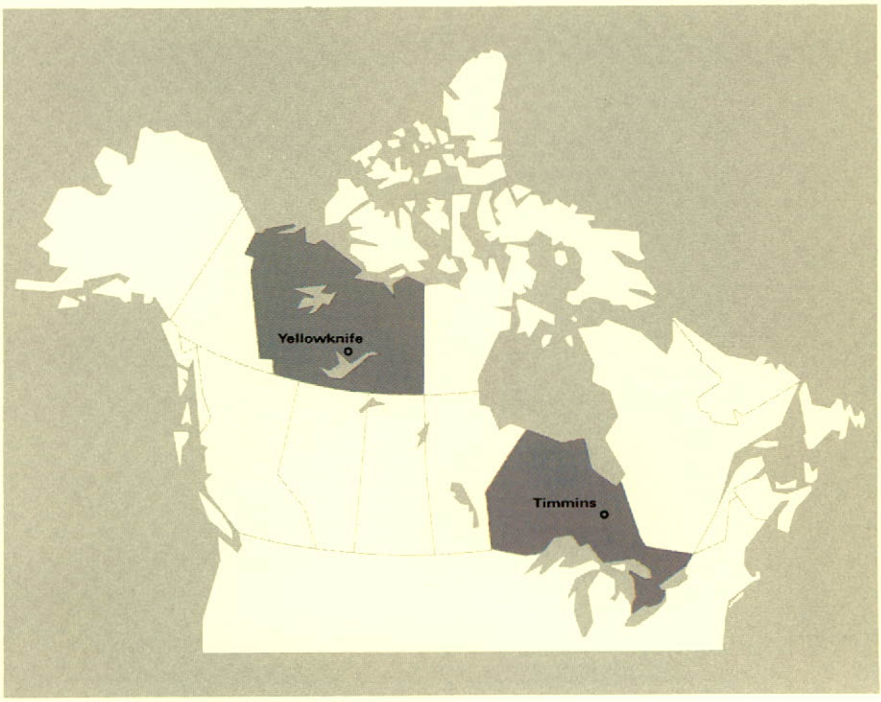
The 50th anniversary celebrations were held last summer in Timmins, and a superb specimen of natural gold from the No. 1 Mine was presented to the City of Timmins to mark the occasion.

Major Shareholder

Considered in isolation, 1986 has been an extremely eventful year. There were two changes of control. Effective February, Jimberlana Minerals N.L. of Australia through its Canadian subsidiary Jimberlana Holdings (Canada) Corporation, acquired a 37.4% interest in the Corporation from Noranda Inc.

Immediately, programmes of further selective acquisitions and major corporate restructuring were initiated, in addition to an incisive, sustained and supportive emphasis on improvements to existing operations both underground and on surface.

In late December 1986, control of Jimberlana moved to Ariadne Australia Ltd., a diversified conglomerate, who then passed on its controlling interest in the Corporation to its newly created, Australian based, resources arm, Giant Resources Limited. Mr. Robert Needham, formerly of Placer Pacific is Executive Chairman of Giant Resources Limited, and in May 1987 was appointed Chairman and a director of this Corporation, as well as a director of Giant Yellowknife Mines Limited.



Pamour Group Location Map

Acquisitions

Effective August 1986, the Corporation virtually doubled its production base by acquiring Falconbridge Limited's 19.16% of Giant Yellowknife Mines Limited. A second acquisition, specifically 51.9% of Consolidated CSA Minerals Inc., later to be renamed Pamorex Minerals Inc., was concluded in November, providing the Corporation with a direct 25% interest in the Canamax operated Bell Creek Mine just north of the No. 1 Mine operation. More importantly, Pamorex has now become the exploration arm of the Pamour group of companies.

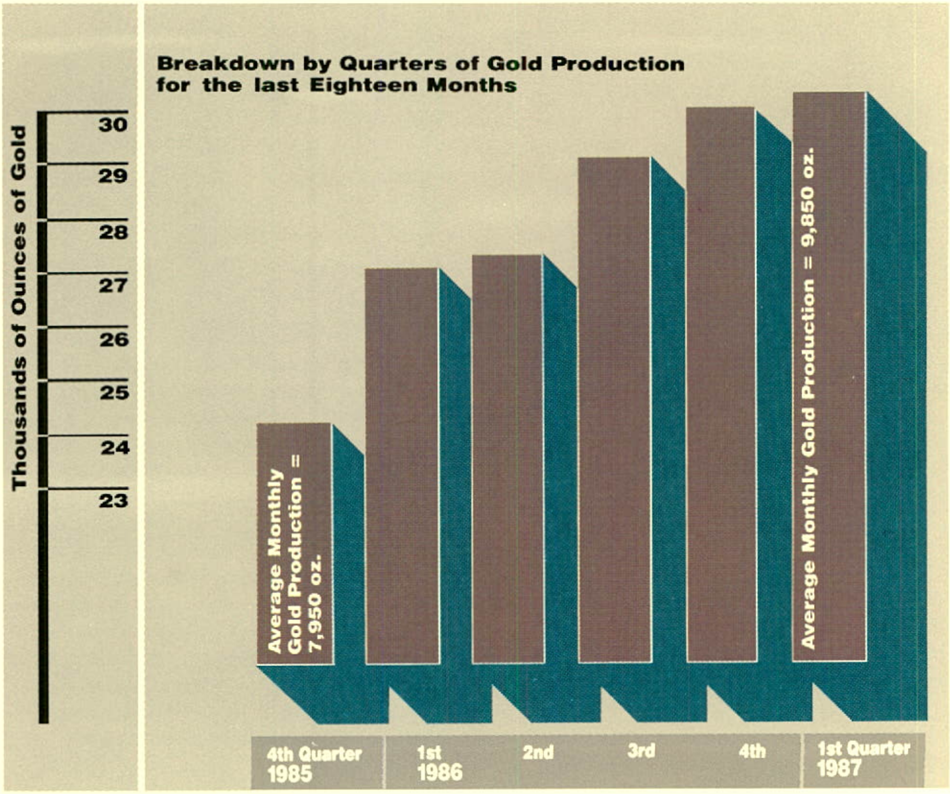
Finally, in successive transactions the Corporation entered into a joint venture with ERG Resources Inc. to reclaim and recover gold from some 140 million tonnes (154 million short tons) of tailings concentrated in dams and deposits east of the Town of Timmins. The Corporation then increased its holding to 66.2% in ERG by selling its remaining 50% joint venture interest to ERG for further treasury shares.

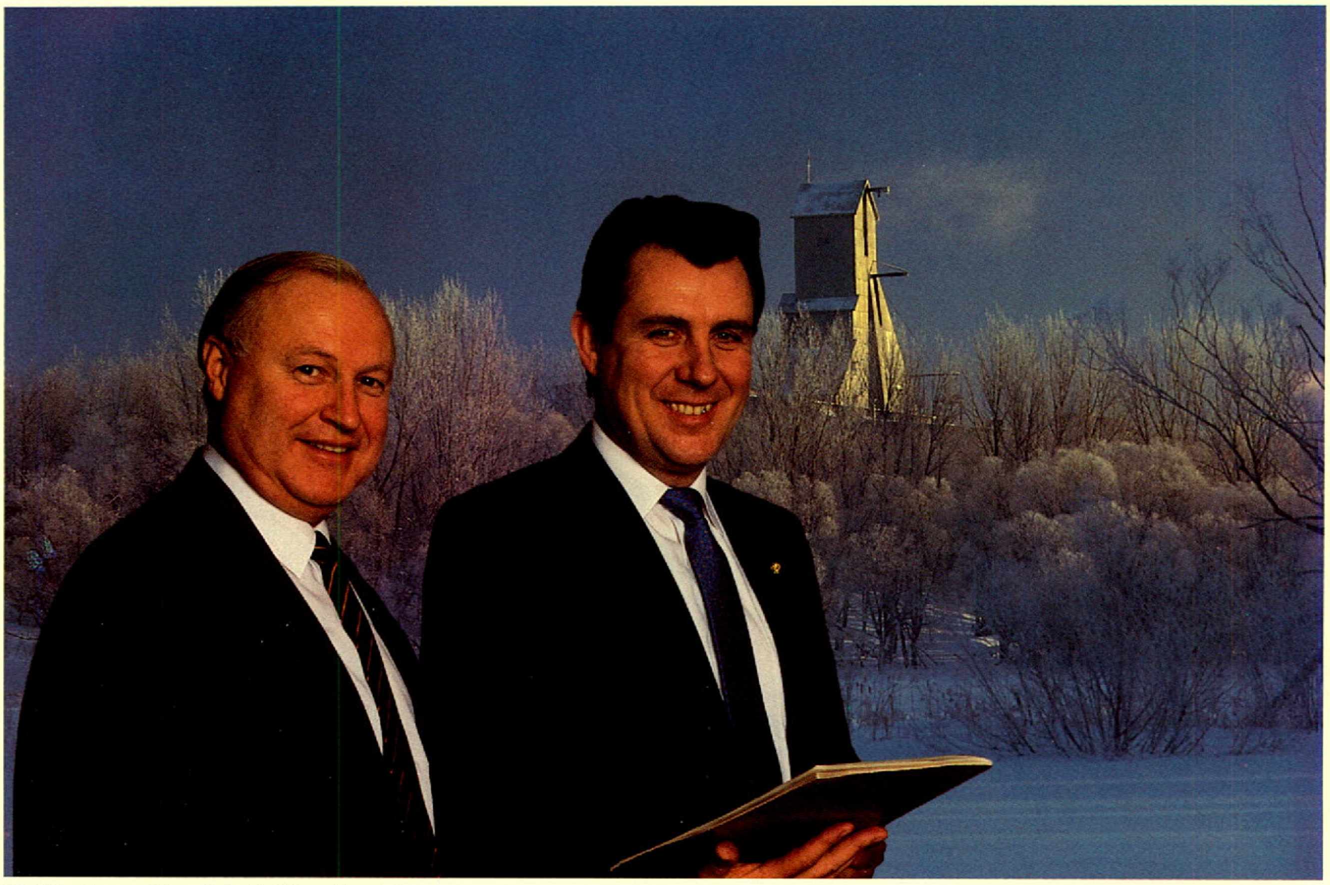
The corporate profile which has emerged from these transactions shows a well conceived corporate structure, with adequate and balanced percentage interests of control. Pamour Inc. has therefore established three separate, but complementary strategic business units, geared to expansion and future growth — Giant Yellowknife Mines Limited controlling underground and open pit mining operations, — Pamorex Minerals Inc. now the Corporation's exploration arm, — and ERG Resources Inc. with its focus on the recovery of precious metals from low grade ore sources or residues.

Improvement in Operations

Much of this report is concerned with the many details of the complex corporate transactions, approved by shareholders and completed in March 1987. This may tend to obscure the several important achievements by the workforce and management of the Timmins operations, since Jimberlana's entry into the corporation's affairs late in 1985. These are well illustrated in the accompanying graph showing gold output by quarters over the last eighteen months up to and including the first quarter of 1987.

- A 24% increase in monthly gold production. The Timmins operations are now targeted at, and attaining, 10,000 ounces each month.




R.M. Sweetin / D.S. MacLeod

- A steady step-wise improvement in gold output through the four quarters of 1986.
- Sustaining this improvement into the first quarter of 1987.

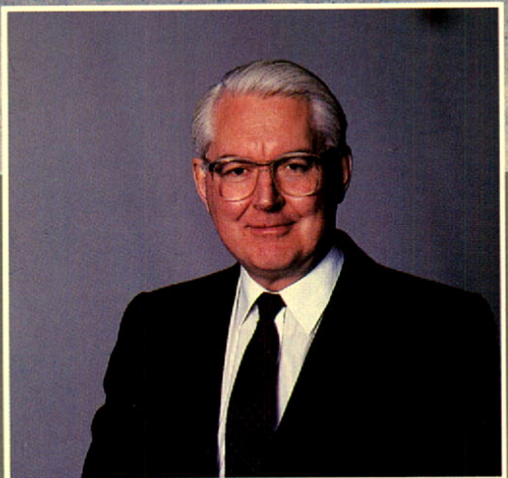
This performance, particularly that of the third and fourth quarters, greatly assisted management's raising of funds for additional working capital and for acquisitions.

In the near term the Pamour group of companies expects to produce over 200,000 ounces of gold in fiscal 1987 and several identified capital projects, some currently underway, are forecast to lift annual production figures to beyond 300,000 ounces of gold by 1990.

Financial Performance

Examination of the table of financial highlights further illustrates the benefits flowing to Pamour by virtue of the new and much broader corporate profile. Consolidated group earnings of $1,172,000, or $0.12 per share during the first three months of 1987 contrast sharply with $36,000, or $0.01 per share earned by Pamour in the first quarter of 1986 from the Timmins based operations. Indeed, the 1987 first quarter earnings are rapidly approaching those for the entire 1986 fiscal year.

Gold produced in 1986 increased by 10,134 ounces to a total of 110,849 ounces; silver production increased by 76,500 ounces to 125,000 ounces and copper production in 1986 increased modestly to 220,000 lb. Consequently, revenue for 1986 from metal production increased to $56.7 million from the $50.7 million realized in the previous year. After giving effect on January 1, 1986 to a change in the method of calculating non-cash charges for amortization and depreciation, operating income for fiscal 1986 is reported at $2.2 million in contrast to the $0.76 million reported for the previous year.



D.J. Emery
President
Giant Yellowknife Mines Limited

Giant

Giant Yellowknife Mines Limited from January 1, 1987 is responsible for all the underground, open pit and milling operations in the Pamour Group.

Net earnings for 1986 of $1,808,000, or $0.25 per share, were not bolstered as they were in 1985 by extra-ordinary gains of $11.2 million realized variously from the sales of investments and mineral leases; from the reversal of prior provisions for severances and from dividends from associated companies. Consolidated assets of the Corporation as at January 1, 1987 increased to a total of $83.3 million from $28.8 million reported at the end of 1985 as a result, primarily, from the inclusion of Pamorex's assets and the investments in Giant Yellowknife Mines Limited, Akaitcho Yellowknife Gold Mines Limited and in ERG Resources Inc.

Financings

Funds of $8.3 million were raised in 1986 from the private placement of 750,000 treasury shares. A further $2.7 million was raised for exploration of Timmins area properties by means of a private placement of 150 units of 1,000 common shares each at $18 per share issuable on a flow-through basis before September 30, 1987. Funds of $18.6 million were borrowed from and later repaid to a syndicate of banks during the year to finance acquisitions and a further $5.2 million was borrowed in November 1986 from Jimberlana Holdings (Canada) Corporation by way of a convertible note which has since been converted, in 1987, into 400,000 treasury shares of Pamour at $13 per share.

In March 1987, the Corporation sold 2.6 million treasury shares to its parent at $13 per share to realize $33.8 million by way of a private placement. This raised Jimberlana Holdings (Canada) Corporation's equity interest in Pamour to 51% .

Future Growth

The Corporation clearly recognizes the inherent opportunities within the Timmins and Yellowknife operations of its revitalized and restructured subsidiary Giant Yellowknife Mines Limited. These opportunities will translate into expanded production from Timmins open pit and underground operations as well as increased mill throughput at Yellowknife. Mineral inventories all now under Giant Yellowknife Mines Limited's ownership, have increased to approximately 16 million short tons from 2.6 million short tons as a direct result of combining the Timmins area operations with those at Yellowknife.

Feasibility work is complete on reclamation and gold recovery operations at Yellowknife from 7.0 million short tons of gold tailings grading 0.067 ounces of gold per short ton (or 2.3 grams per tonne). This $24.6 million capital project, when launched, is forecast to produce an estimated 37,000 ounces of gold annually.

The successful 10,000 tonne heap leaching test carried out in Timmins in the summer of 1986, where gold recoveries of 70% were achieved from crushed low grade ore, has led to the implementation this summer of a quarter-million tonne heap leaching operation at the No. 1 Mine. The impact on reserves of gold production from heap leaching is difficult to quantify at this stage but, clearly, ore cut-off grades will be lowered, reserve tonnage increased and additional gold ounces produced.

Acquisition Details

In August 1986, Pamour Inc. acquired the long-held 19.16% interest in Giant Yellowknife Mines Limited along with a 36.7% interest in Akaitcho Yellowknife Gold Mines Limited from Falconbridge Limited for cash of $18.6 million. By October 1986, the Boards of Pamour Inc. and Giant Yellowknife Mines Limited had assessed the benefit of merging the Timmins mining operations with those at Yellowknife, which resulted in Pamour Inc. receiving $17.5 million cash and 2,683,567 additional treasury shares of Giant Yellowknife Mines Limited, plus a further $1.2 million from the sale of the 36.7% interest in Akaitcho to Giant Yellowknife Mines Limited. The merger was approved by shareholders on March 10, 1987. Ownership of the Timmins operating mines was made retroactive to January 1, 1987 and the Corporation's equity in Giant increased as a result of the above transactions to 50.2%.

Giant Yellowknife Mines Limited has proposed an aggressive exploration plan for its operating properties and ground contiguous to the mine sites.

The Corporation's 66.2% equity holding in ERG Resources Inc. as at March 31, 1987 is an important investment in a world-scale gold tailings reclamation project located in the Timmins area. Based on a monthly processing rate of one million tonnes of tailings grading 0.013 ounces of gold per short ton (or 0.45 grams per tonne), the $65 million capital project is expected to produce close to

EXPLORATION DRILLING AT NIGHT HAWK LAKE

100,000 gold ounces in its first full production year in 1989. Assuming a gold price of US $400 per ounce, payback on investment will be 2.5 years. An annual eight-month operating campaign is planned, thereby avoiding the long periods of below freezing temperatures experienced in the area.

Recoveries of around 45% will recapture close to one million ounces of gold from the 140 million tonnes of tailings under ERG's control. The operating campaigns will span seventeen or more years and are scheduled to begin in the late summer of 1988.

The 66.2% equity interest in ERG resulted from Pamour Inc.'s exchange in March 1987, of its 50% joint venture interest with ERG in the Timmins area tailings project for the consideration of 4,516,791 common treasury shares of ERG. An additional 1,407,988 ERG shares were purchased at $3.50 per share from a number of major shareholders and in 1987 254,930 additional Pamour treasury shares were exchanged for 965,095 ERG shares held by Pamour's parent, Jimberlana Holdings (Canada) Corporation.

In November 1986, the Corporation purchased a 51.9% equity interest in the issued common shares of Consolidated CSA Minerals Inc. from CSA Management Ltd. by paying $2 million cash and issuing 520,386 treasury shares at $14 each for an aggregate consideration of $9.3 million. In February 1987, this subsidiary was renamed Pamorex Minerals Inc. to more clearly reflect its active role as the exploration arm of the Pamour group of companies.

Pamorex and Canamax Resources Inc. (the operator) each hold a 50% joint venture interest in the Bell Creek project. Commercial production commenced on January 1, 1987 at an initial rate of 182 tons per day. Ore is being milled at the nearby No. 1 mill on a custom basis until construction of an on-site mill facility is completed during the summer of 1987. Mine production in 1987 is estimated to be 18,000 ounces of gold, increasing to 25,000 ounces annually thereafter.

In February 1987, Pamorex arranged $3.75 million in flow-through funding. On May 6, 1987, a $6.0 million public issue was successfully completed and on the same date Pamorex, which has traded on the Vancouver Stock Exchange since 1980, was listed and commenced trading on The Toronto Stock Exchange now under the symbol PMX. These underwritings will result in Pamour's equity interest reducing to approximately 40.4%.

Pamorex is actively exploring for precious metals on several properties in Ontario, Quebec and British Columbia either as operator or with joint venture partners. A $5.3 million exploration and development budget has been approved for calendar 1987 of which $3.9 million will be spent on the Bell Creek project.

Conclusion

In January this year, Mr. D.S. MacLeod announced his intention to resign as President of the Corporation. This was effective April 2, 1987. The Board of Directors wish to record their sincere appreciation of the drive and leadership displayed by Mr. MacLeod over the last fourteen months bringing the Corporation through this important period of change. Pending the appointment of a new President, Mr. R.M. Sweetin was appointed acting President and Chief Executive Officer of the Corporation.

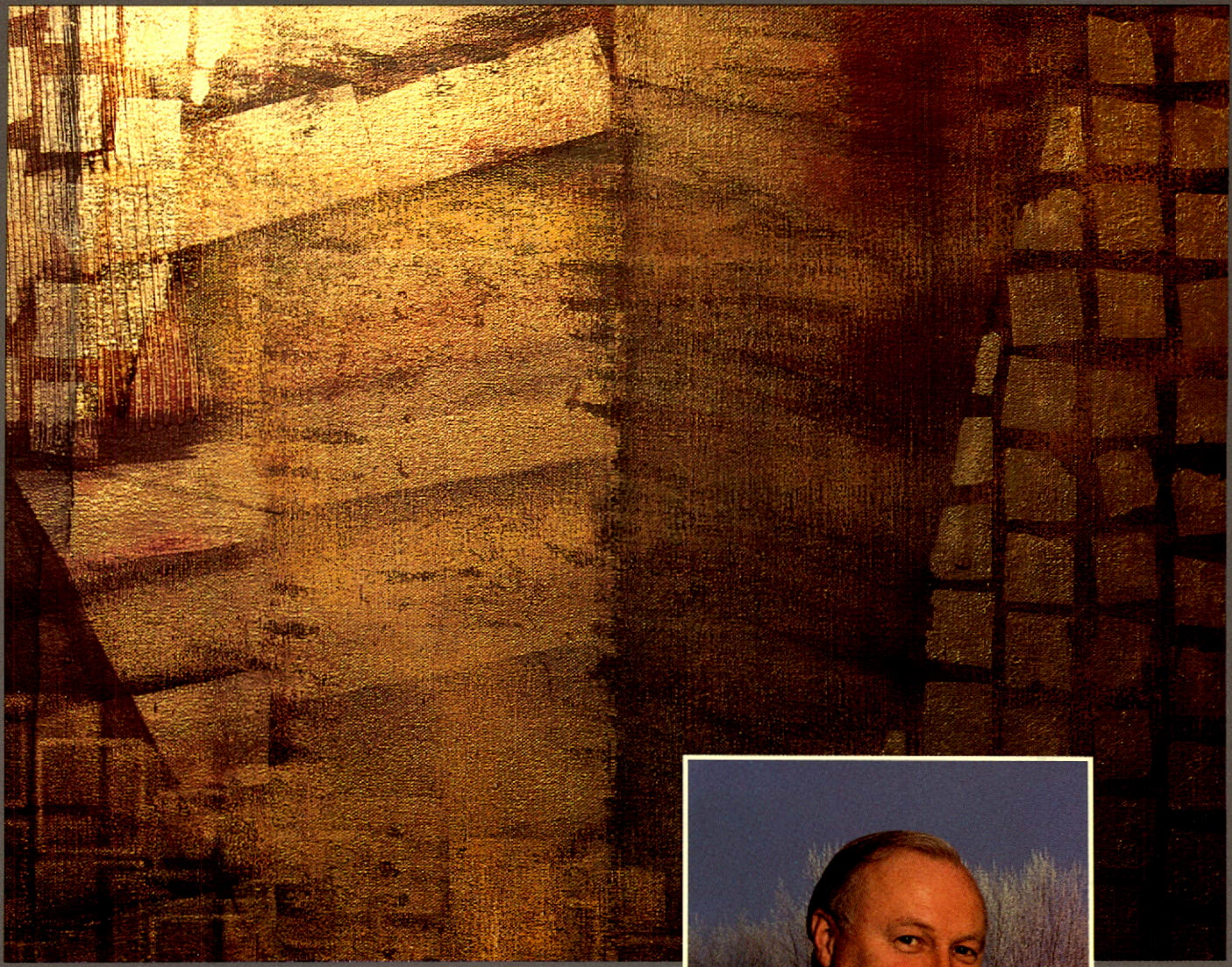
The Corporation is now in a strong cash position and has the backing of a major Australian mining group. Those various transactions and acquistions now embodied in the restructured Pamour group have involved considerable commitment over an extended period by management supported by improving results from the Timmins operations.

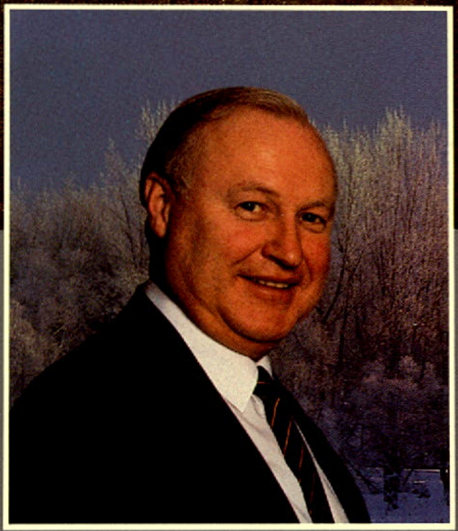
This cumulative effort by workforce and management has ensured that the Corporation now moves confidently into its second half-century with a more responsive profile, a well motivated workforce and a much broadened revenue generating base.

This report is respectfully submitted
on behalf of the Board.

R. M. Sweetin
Acting President and Chief Executive Officer

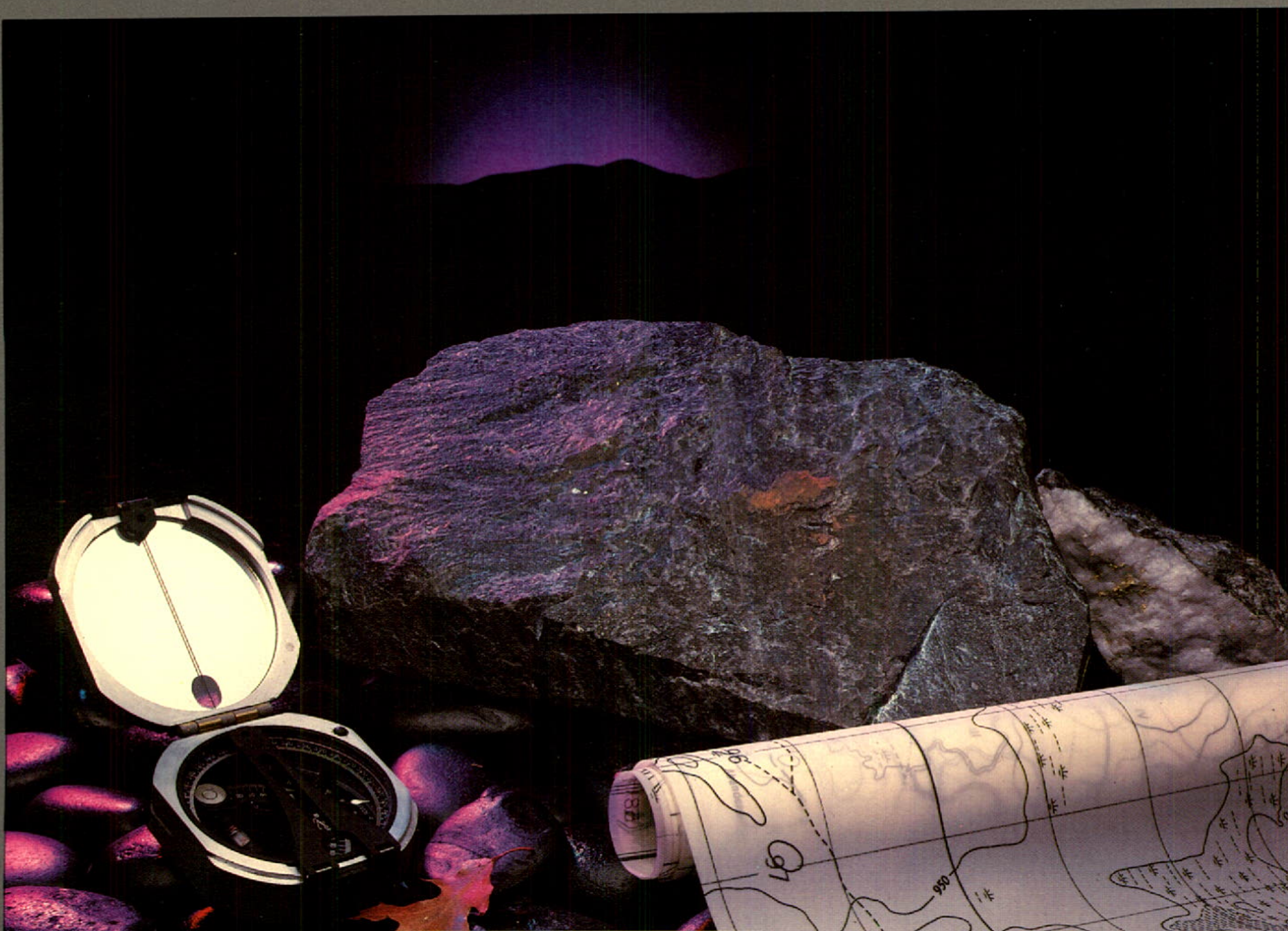
May 29, 1987





R.M. Sweetin
President and Chief Executive Officer
ERG Resources Inc.

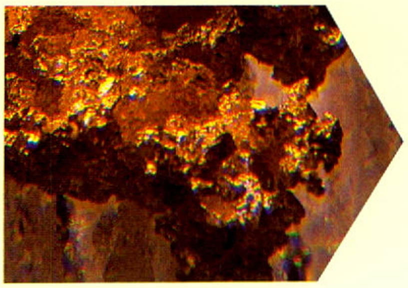
ERG Resources Inc. is concerned with the recovery of precious metals from low grade sources and residues. Heap leaching and the large-scale processing of gold tailings are typical of its current activities.



PAMOREX

A.H. Ransom
President, Pamorex Minerals Inc.

Pamorex Minerals Inc. is the mineral exploration arm of the Pamour Group of companies. Additionally, Pamorex is a 50% joint venture partner with Canamax Resources Inc. (50%) in the Bell Creek gold mine near Timmins, Ontario. Bell Creek commenced commercial production, January 1987.



General Manager's Report

Timmins Operations

Mining operations produced 1,791,771 short tons of ore grading 0.074 ounces of gold per short ton. A total of 110,849 ounces of gold, 125,600 ounces of silver and 110 short tons of copper were produced. An additional 62,658 short tons of ore were processed on a custom toll basis and 51,273 short tons of ore were processed through the Go-Mill for four separate customers. The Go-Mill successfully completed its first full year of operations in 1986.

Pamour's lost time accident frequency for 1986 was 3.0 per 200,000 work hours, compared to a 3.7 frequency for the gold mining industry as a whole in Ontario. Retraining programmes have been accelerated and greater emphasis has been placed on safety awareness at all regular meetings with the workforce.

During the summer, a test heap leach programme was carried out at the No. 1 Mine property on low grade ore from #3 Pit. An Ontario Nordev grant was obtained to help fund this test. The ten thousand short tons test utilized Pamour's crushing plant and barren cyanide solution from the adjacent No. 1 mill. Results indicated a gold recovery of better than 70% in a relatively short period of time. Low grade material from #3 Pit is now being stockpiled in readiness for a 250,000 short ton commercial heap leach operation planned for the summer of 1987.

Gold production increased by 10% and tonnage by 24% in 1986. These increases were due to reducing custom tolled ore and increasing Pamour's own tonnage through the Schumacher mill. This increased the Schumacher mill throughput by 18% to 878,000 short tons; the increase came mainly from the #3 Pit, where production doubled over the year from 25,000 short tons to 50,000 short tons per month.

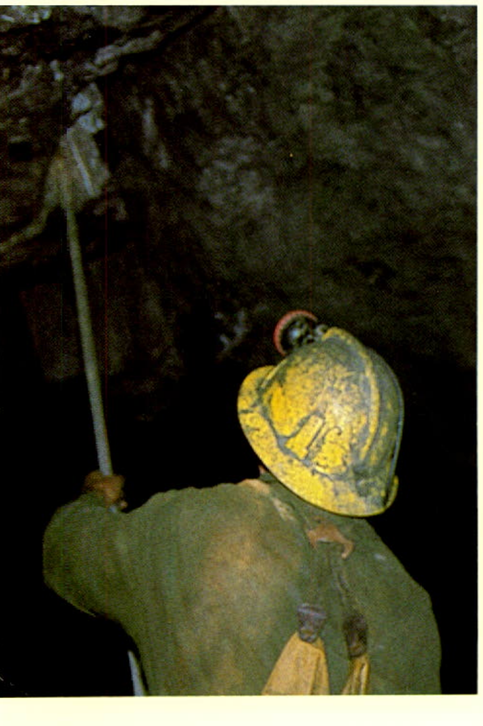
This #3 open pit operation is currently Pamour's lowest cost producer at just under US $225 per ounce. When operations started in 1985, they were expected to have a 3 year life. That has now been tripled to 9 years as a result of a recently completed diamond drilling programme. Low cost production of around 50,000 short tons per month is therefore assured through to the end of 1993.

This excludes additional tonnages of heap leachable ore which will be produced in tandem with current operations.

Further, but as yet unquantified reserves of grades suitable for open pit and heap leaching are currently being drilled and evaluated adjacent to the #3 pit location.

Operating results at both Ross and Schumacher Mines improved in the second half of the year, with both showing operating profits. An increase in stope preparation and development at both sites resulted in mining of better grade material. At Ross a new level (3150) was established and a new ore zone, 18 West, was developed. These will be brought into production early in 1987.

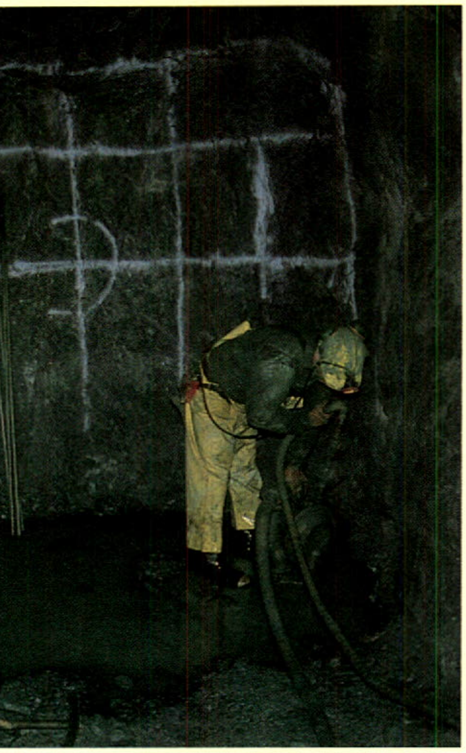
REMOVING LOOSE ROCK



PAMOUR NO. 3 OPEN PIT

The Drew Claim, adjacent to Pamour's No. 1 Mine workings, was acquired and development and mining was carried out at several elevations. Tonnage improved at the No. 1 mine, however grades were generally below forecast.

The workforce increased by 58 employees to 748 at the end of the year. Productivity also increased by 13% from 8.4 tons per work shift to 9.5 tons per work shift.



ADVANCING THE WORK FACE

Mineral Inventory

After milling 1,791,771 short tons of Pamour ore in 1986, ore reserves in the proven, probable and possible categories were increased to 9,584,200 short tons grading 0.076 ounce of gold per ton compared to 7,570,200 short tons grading 0.083 ounce of gold per short ton at the end of 1985. The main increase in reserves in 1986 came from the #3 Pit area where a major diamond drill programme increased ore reserves to 3,928,500 short tons grading 0.06 ounce of gold per short ton at the end of 1986 compared to 1,743,000 tons grading 0.067 ounce of gold per ton at the beginning of 1986. This diamond drill programme also identified 2.9 million short tons of potential heap leach material grading 0.029 ounce of gold per short ton which has to be removed from the #3 Pit as part of the mining plan.

During the year development footage remained constant. Stope preparation footage increased by 7,290 feet to 16,385 feet, while diamond drill footage at the minesites increased by 84,000 feet to 119,016 feet.

Exploration

Work continued on Pamour Inc.'s magnesite property with bulk sampling and metallurgical test work being carried out. Pamour continued to add to it's extensive land position in the Timmins, Matheson and Matachewan areas. A $2.7 MM exploration programme, funded by flow-through shares, was initiated in the last quarter of 1986 to explore some of these land holdings. Two of the major programmes were the Porcupine Peninsular project where shaft and winze dewatering and underground diamond drilling is being carried out, and the Young-Davidson property in the Matachewan area where a surface diamond drill programme has outlined low grade reserves. Results from these programmes are currently under evaluation but indications are strong enough to warrant additional work on both properties during 1987.

Business Development

The Business Development area continued to grow in 1986 with revenue up by over half a million dollars from 1985. This group continued to expand into analytical services, mine construction, custom shop fabrication, gold jewellery and specimens, and technical services. Further expansion into areas which complement Pamour's mining and metallurgical background are being studied.

General

The transition from Noranda Inc. to firstly Jimberlana Minerals N.L. and then subsequently to Giant Resources Limited, as Pamour's major shareholder was smooth and well accepted by all employees. The renewed emphasis on exploration and development and support to existing operations is viewed as a positive sign by the workforce.

A two year contract was signed with the United Steelworkers of America effective to July 1, 1988. The contract calls for a 5% wage increase in the first year and a 4% increase in the second year.

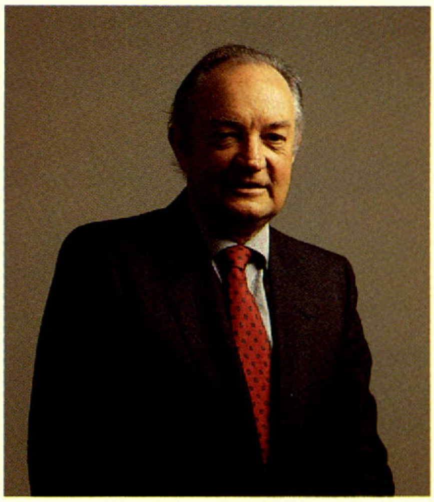
I would like to express my appreciation to all employees for their efforts in this very pivotal and exciting year in Pamour's history.

Peter Rowlandson

Peter M. Rowlandson,
General Manager

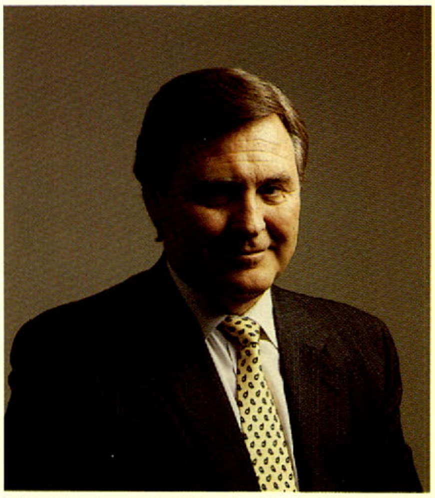
Announcement

Mr. Robert Needham's appointment as Chairman of Pamour Inc. took effect in May 1987. More recently, and coincidently with this annual report going to press, the appointment of Mr. C.H. Frame as President and Chief Executive Officer of Pamour Inc. was announced.



Robert Needham

Mr. Robert Needham is Executive Chairman and Chief Executive Officer of Giant Resources Limited of Sydney, Australia. Prior to joining Giant Resources Limited, Mr. Needham was Managing Director of Placer Pacific Limited and its subsidiaries, including Kidston Gold Mines Limited, Australia's largest gold producer. He was responsible for the successful Kidston and Placer Pacific financings of 1984 and 1986.



Clifford Frame

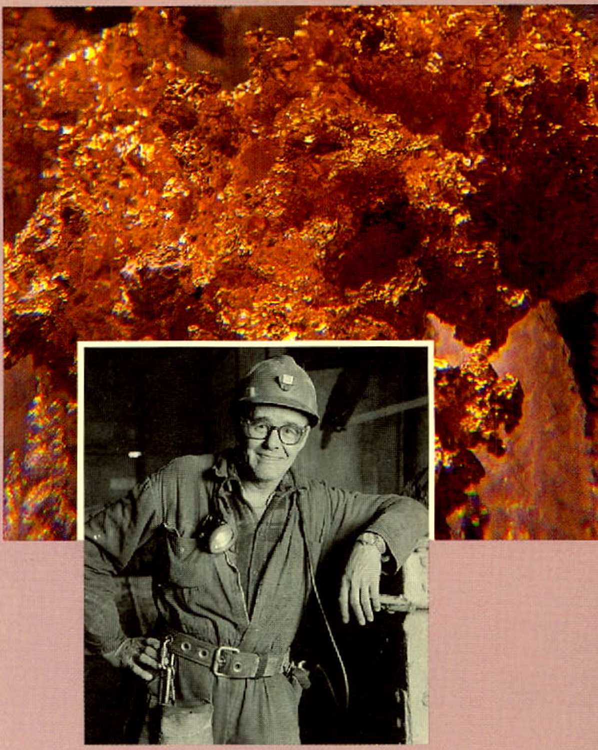
Mr. Frame is Chairman and Chief Executive Officer of Curragh Resources Inc. and has 30 years experience in the natural resources industry, both in Canada and internationally. He has earned the reputation of being one of Canada's more successful senior mining executives. Formerly, Mr. Frame was President and Chief Operating Officer of Denison Mines Limited.

PAMOUR

PAMOUR MINES CELEBRATES 50 YEARS OF GOLD PRODUCTION

1936 - 1986

TRULY A GOLDEN ANNIVERSARY



The History of Pamour —
Five Golden Decades

First Golden Decade

Pamour's name was derived from the names of the early prospectors — Firman La Palme and Wilfred D'Amour. By 1936, Pamour was already three years old, but this was to be the first year of gold production. No less than 138,200 tons were milled for 58,500 ounces of gold in that first year.

Pamour's first decade saw Canada through World War 2. The country's gold production, sold for U.S. dollars, was very important to the war effort and the economy. Pamour grew despite labour shortages — 67 employees enlisted in the armed forces.

By the end of its first decade of gold production, earnings reached $5,895,500 and investors were rewarded with over $3.5 million in dividends. Pamour was already an established success.

Industrial Service Group
Gil Caldwell
Paige Wilson
Helena Mageau

Second Golden Decade

The aftermath of the war affected all gold mines in Canada. The Bretton-Woods agreement and the actions of the newly-formed International Monetary Fund kept the value of gold low.

Although still a successful operation, Pamour's second decade of gold production showed it's lowest profit, posting almost $2 million in earnings and distributing $1,350,000 in dividends.

Cathy Cameron
Joe Rutherford
L. Germain
Peter Rowlandson

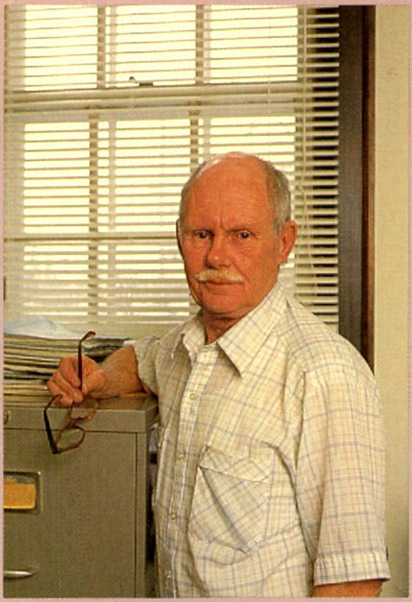
Third Golden Decade

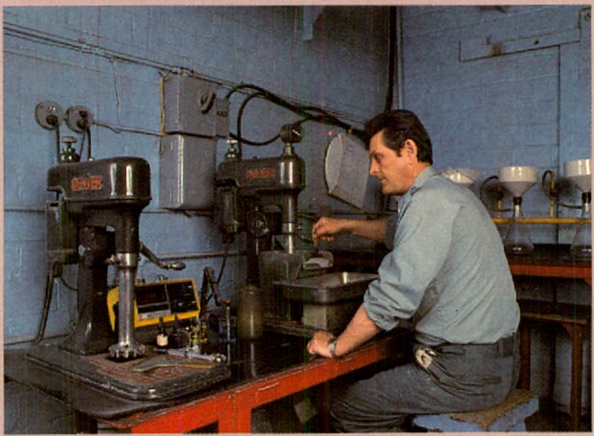
Except for the external influences that continued to plague Pamour throughout the early part of this decade, Pamour's financial picture began to improve steadily.

During this period, the Canadian government removed the restrictions on the holding and trading of gold. Canadians and Americans responded by trading, particularly the one kilogram size bar. Two major Canadian banks participated in the sale of bullion and coin.

In addition, fiscal measures were introduced in 1960 to lower the premium on the Canadian dollar. As the premium on the dollar fell, the price of gold began to creep upward.

By 1965, earnings topped $4 million and dividends reached $2,800,000.





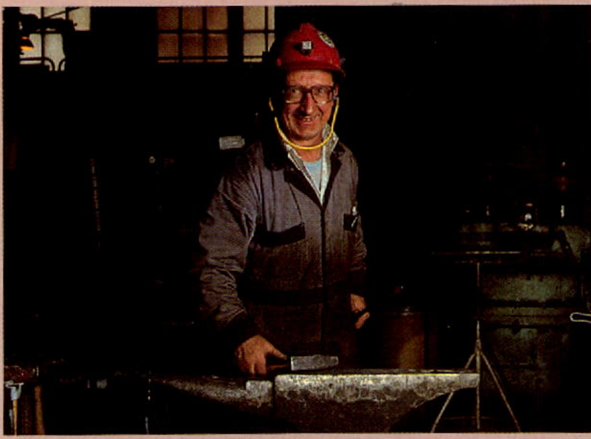
Jim Bell
Roland Rice
Don MacFarland
Nick Resetar

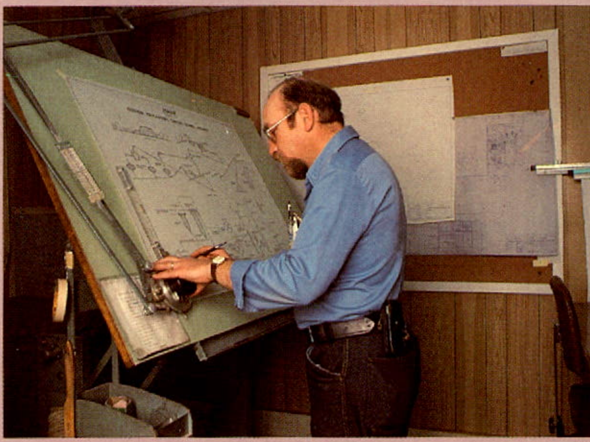
Fourth Golden Decade

During this period, Pamour embarked on extensive exploration in the Porcupine area. The exploration paid off by 1974, with an unprecedented 1,780,000 tons milled, netting 143,200 ozs. of gold, 4080 tons of copper, and 59,000 ozs. of silver. Silver was becoming another inflation hedge, and the price of all three metals reached record highs.

In 1975, however, the bottom fell out of the gold market, largely because the Soviet Union was using its gold to pay for Western grain, and the IMF was selling large quantities of gold in order to help developing countries.

Despite these discouraging developments, this decade saw earnings more than double over the previous ten years, and dividends almost triple. By 1975, $9,921,000 was posted in earnings and dividends amounted to $7,980,000.





Peter Bazarra
Usha Bharadwaj
Gerry Gryba
Ron Spencer

Fifth Golden Decade

Pamour's fifth and most recent decade saw dramatic swings in the price of gold. Prices soared in 1979 and 1980, allowing renewed exploration, property acquisitions and development, but over the next two years Pamour was hit hard by the fall in gold prices.

After 1983, the mine was given a new lease on life. The emphasis was now on pit mining, and plans were made to phase in new technologies designed to increase productivity.

The end of Pamour's rockiest decade saw the best results in the Company's history — $12,261,000 was posted in earnings, and $8,029,000 was paid out in dividends.

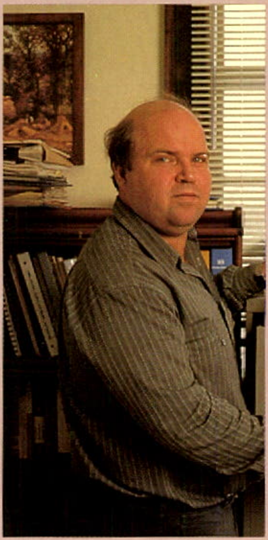
Over the five decades, Pamour treated 40.0 million tons of ore from the original property, for a bullion output of 3.9 million ounces. Total earnings exceeded $34 million and dividends amounted to more than $23 million.

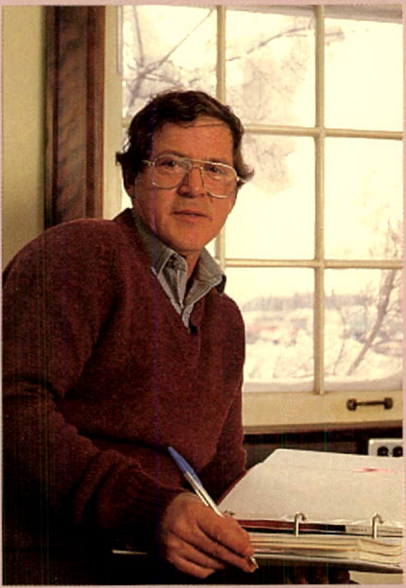
Truly a golden anniversary!

The history of Pamour is above all the history of the people. From the early prospectors to the financial backers to the miners who truly live the mine, people have always formed the backbone of the Company.

And while our people no longer carry a compass, a sack of tools, a rolled blanket, or a hamper of unappetizing grub, they all still possess a dogged will to conquer.

Our people continue to make history. Our history.





All you needed to strike it rich was a "compass, a sack of tools, a rolled blanket, a hamper of unappetising grub, and a dogged will to conquer."

J.B. MacDougall, 1946.

Dan Potvin
Bob McBean, Roy Lindsay
Gerry Savard
Carol Wells

The Future: A Golden Opportunity

As the Pamour Group looks to the future, we see so much to be excited about. Although the search for gold is the number one priority of most mining companies, we believe our open and more responsive approach distinguishes us from the others. And we believe it will pay off handsomely.

There is the exciting and ever-attendant prospect of uncovering a large new ore zone, in or near Pamour-owned operations, which after all, are located in mining camps historically the producers of over 40 million ounces of gold.

Operating costs will continue their downward trend with the application of new technologies, including the large tonnage retreatment of gold tailings, the processing of crushed ore tonnages with tailings, and large scale heap leaching of marginal ore.

We at Pamour are not the only ones excited about the future. A leading mining industry watcher call the Timmins area "a potential giant open pit". We prefer to think of it as a well of golden opportunity.

Dianne McKinnon
Rita Mascioli
Moe Potvin
Anne Louise Mantha

PAMOUR

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Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Pamour Inc. as at December 31, 1986 and the consolidated statements of earnings, retained earnings and cash flow for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1986 and the results of its operations and the changes in its cash position for the year then ended in accordance with generally accepted accounting principles applied, except for the change in the method of determining depreciation and amortization and the change in the method of accounting for exploration expenditures, as described in note 2, on a basis consistent with that of the preceding year.

Coopers & Lybrand
Chartered Accountants

Toronto, Canada
March 10, 1987

Consolidated Balance Sheet
as at December 31, 1986

Assets

	1986 $	1985 $
	(in thousands)	
Current Assets		
Cash and term deposits	**2,524**	—
Cash in trust (note 11(b))	**1,102**	—
Accounts and settlements receivable (note 8)	**2,740**	1,438
Bullion and concentrates (notes 4 and 8)	**2,457**	2,973
Stores and prepaids (note 8)	**4,725**	4,194
	13,548	8,605
Investments (notes 5 and 8)	**24,683**	302
Fixed Assets (notes 2, 6, 8 and 12)		
Plant, buildings, equipment and townsite — at cost	**33,768**	31,008
Accumulated depreciation	**17,695**	17,271
	16,073	13,737
Mine properties and deferred development — at cost less accumulated amortization of $5,964 (1985 — $5,924)	**7,730**	5,888
	23,803	19,625
Resource Properties, Deferred Exploration and Pre-production Costs (note 7)	**21,293**	285
	83,327	28,817

Signed on behalf of the board

Director

Director

Liabilities

	1986 $	1985 $
	(in thousands)	
Current Liabilities		
Bank loans (note 8)	**20,100**	—
Secured loan from associated company	**—**	1,515
Accounts payable	**11,166**	9,100
Income and production taxes	**1,785**	1,785
Cash in trust (note 11(b))	**1,102**	—
Due to joint venture	**851**	—
Convertible note from related company (note 9)	**5,200**	—
Current portion of long-term debt (note 10)	**298**	141
	40,502	12,541
Long-term debt (note 10)	**688**	506
Taxes provided not currently payable	**324**	347
Minority Interest (note 3)	**7,891**	—
	49,405	13,394

Shareholders' Equity

Capital Stock (note 11)		
Authorized —		
Unlimited number of common shares		
Issued and fully paid —		
8,276,810 common shares (1985 — 7,006,424)	**23,585**	8,492
To be issued —		
88,778 common shares	**1,598**	—
	25,183	8,492
Retained Earnings	**8,739**	6,931
	33,922	15,423
	83,327	28,817

Consolidated Statement of Retained Earnings
as at December 31, 1986

	(in thousands)	
	1986 **$**	1985 $
Balance — Beginning of Year		
As previously reported	**8,666**	(3,899)
Adjustment of prior years' mining taxes (note 13)	**(1,735)**	(1,735)
As restated	**6,931**	(5,634)
Net earnings for the year	**1,808**	12,565
Balance — End of Year	**8,739**	6,931

Consolidated Statement of Earnings
(in thousands; except per share data)

	Year ended December 31,	
	1986	1985
	$	$
Revenue	**56,695**	50,741
Expenses		
Cost of production	**49,968**	45,587
Royalties	**894**	738
Administration	**1,222**	584
Depreciation and amortization	**467**	1,501
Exploration and development	**1,933**	1,568
	54,484	49,978
Earnings from Operations	**2,211**	763
Investment and Other Income (Expense)		
Dividends from associated companies	**—**	341
Interest	**(771)**	(1,034)
Gain on sale of investments	**—**	9,093
Share of earnings of associated company	**32**	—
Gain on sale of fixed assets	**142**	734
Reversal of provision for severances	**—**	1,080
Gain on sale of mineral rights lease	**—**	1,000
Other	**171**	—
	(426)	11,214
Earnings Before The Following	**1,785**	11,977
Taxes (provided) recoverable		
Income (note 15(b))	**(102)**	(2,023)
Production	**23**	571
Earnings Before Extraordinary Item	**1,706**	10,525
Extraordinary Item — Recovery of Income Taxes	**102**	2,040
Net Earnings For The Year	**1,808**	12,565
Earnings Per Share — Before Extraordinary Item	**$0.23**	$1.50
Earnings Per Share — For The Year	**$0.25**	$1.79

Consolidated Statement of Changes in Financial Position
for the year ended December 31, 1986

(in thousands)

	1986 $	1985 $
Operating Activities		
Earnings before extraordinary item	**1,706**	10,525
Charges not affecting cash — Depreciation and amortization	**467**	1,501
Taxes provided not currently payable	**79**	2,008
Gain on sale of fixed assets and mineral rights lease	**(142)**	(1,734)
Share of earnings of associated company	**(32)**	—
Gain on sale of investments	—	(9,093)
Reversal of provision for severance	—	(1,080)
Other	—	52
	2,078	2,179
Change in working capital items, excluding cash equivalents	**6,273**	(830)
Cash provided from operating activities	**8,351**	1,349
Investing Activities		
Deferred exploration expenditures	**(3,081)**	(196)
Purchase of investments	**(24,349)**	—
Proceeds on sale of investments	—	13,852
Additions to fixed assets	**(5,605)**	(3,867)
Proceeds on sale of fixed assets and mineral rights lease	**152**	1,851
Acquisition of subsidiary company (note 3)	**(9,352)**	—
Cash provided from (used for) investing activities	**(42,235)**	11,640
Financing Activities		
Shares issued and to be issued	**16,691**	—
Government assistance	**950**	—
Long-term debt	**182**	506
Cash provided from financing activities	**17,823**	506
Increase (Decrease) in Cash	**(16,061)**	13,495
Cash Equivalents — Beginning of Year	**(1,515)**	(15,010)
Cash Equivalents — End of Year	**(17,576)**	(1,515)
Cash Equivalents Defined:		
Cash and term deposits	**2,524**	—
Bank loans	**(20,100)**	—
Secured loan	—	(1,515)
	(17,576)	(1,515)

1. Summary of Significant Reporting Policies

These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada, consistently applied, except for the change in the method of determining depreciation and amortization and the change in the method of accounting for exploration expenditures, as described in note 2. The significant reporting policies are as follows:

Basis of Consolidation

The consolidated financial statements include the accounts of the company and its 51.9% owned subsidiary, Consolidated CSA Minerals Inc. (note 3).

Bullion and Concentrates

The company records as revenue the estimated net realizable value of bullion and concentrates awaiting sale.

Stores Inventory

Stores inventory is valued at the lower of average cost and replacement cost.

Investments

Investments in companies in which the company has significant influence are accounted for by the equity method. All other investments are carried at cost.

Fixed assets

Fixed assets are accounted for as follows:

(i) Plant, buildings, equipment and townsite are recorded at cost. Government grants are recognized as a reduction of the government approved expenditures on plants and equipment.

(ii) Development expenditures are written-off as incurred, except where they represent significant costs of major projects which are expected to benefit future periods. These development expenditures, together with costs of acquiring mining claims, are capitalized until the properties or mine areas are brougt into production, at which time they are amortized, or until the properties are abandoned, at which time they are written-off.

(iii) Depreciation and amortization of producing assets are provided on the unit of production basis (see note 2).

Exploration

Exploration costs related to the extension of existing producing mining properties are expensed as incurred. Costs relating to the acquisition, exploration and development of non-producing mining properties which are held by the company or through its participation in joint ventures are capitalized until such time as either economically recoverable reserves are established, or the properties are sold or abandoned. The ultimate recovery of these costs depends on the discovery and development of economic ore reserves or the sale of the mineral rights. The amounts shown for deferred exploration and pre-production costs do not necessarily reflect present or future values.

Taxes

The company provides for income and production taxes by the deferral method on a tax allocation basis. Under this method, timing differences between reported and taxable income (related principally to claiming capital cost allowances and deferred development expenditures for tax purposes in excess of amounts written-off in the accounts) result in the provision for taxes which are not currently payable.

2. Changes in Accounting Policies

(a) The company uses the unit of production method of determining depreciation and amortization. Up until December 31, 1985, the company used only proven and probable reserves for purposes of these calculations. Effective January 1, 1986, the company commenced including possible and potential reserves in its calculations and is now amortizing its fixed assets over the total estimated life of each mine as, in the opinion of management, the inclusion of these reserves more realistically reflects the expected life of the mines.

Because the information with respect to prior years is not reasonably determinable, this change has been accounted for prospectively. The effect of this change during the year ended December 31, 1986, is to increase net earnings before taxes by approximately $2,178,000 and increase the provision for income taxes by $102,000 and decrease the recovery of production taxes by $191,000.

(b) Prior to 1986, exploration expenditures were charged against current earnings unless they related to properties from which a productive result was reasonably certain or on which work was in process. Commencing in 1986, with the acquisition of Consolidated CSA Minerals Inc., (note 3) the company has substantially expanded its exploration activities and accordingly management deemed it appropriate to change to the accounting policy described in note 1 above. The effect of this change, which has been applied prospectively, is not significant to the results of operations for 1986.

3. Acquisition of Subsidiary Company

On November 14, 1986, the company acquired 51.9% of the outstanding common shares of Consolidated CSA Minerals Inc., a Canadian mining exploration company, for a total consideration of $9,285,000. Additional acquisition costs incurred amounted to $244,000. On February 25, 1987 this company changed its name to Pamorex Minerals Inc. ("Pamorex"). The acquisition has been accounted for by the purchase method, as follows:

	(in thousands) $
Net assets —	
Cash	177
Accounts receivable	214
Exploration properties	17,927
Current liabilities	(898)
	17,420
Less minority interest share of assets	(7,891)
Total cost of acquisition	9,529
The consideration at fair value, consisted of:	
Cash	2,000,000
520,386 common treasury shares	7,285,000
Acquisition costs	244,000
	9,529,000

4. Bullion and Concentrates

At December 31, 1986, bullion and concentrates includes approximately 4,873 troy ounces of gold (1985—7,126). The estimated net realizable value of bullion and concentrates has been determined using an average value for gold of Cdn. $540 per ounce (1985—Cdn. $465), reduced by treatment and marketing costs.

5. Investments

(a) Investments comprise the following:

	(in thousands) 1986 $	1985 $
Shares in Giant Yellowknife Mines Limited — at cost (note (b)) (quoted market value — $14,943,000)	**16,557**	—
Share of earnings of Giant since acquisition	**32**	—
	16,589	—
Shares in Akaitcho Yellowknife Gold Mines Limited — at cost (quoted market value — $1,198,000)	**1,234**	—
Shares in ERG Resources Inc. at cost (note (c)) (quoted market value — $6,618,000)	**5,104**	—
Joint venture with ERG Resources Inc. — at cost (note (c))	**732**	—
Long-term deposits — at cost	**570**	—
Other	**454**	302
	24,683	302

(b) In August, 1986, the company acquired 824,413 (19.2%) of the outstanding common shares of Giant Yellowknife Mines Limited ("Giant") for cash of $15,714,000. Additional acquisition costs incurred amount to $843,000. The excess of the cost of the net assets acquired over the underlying book values in the accounts of Giant has been allocated to fixed assets and mining properties and is amortized against the company's share of Giant's earnings on a unit of production basis. As at December 31, 1986, the unamortized balance amounted to $9,840,000.

(c) (i) On September 12, 1986, the company entered into a joint venture with ERG Resources Inc. ("ERG") for the exploitation of gold tailing interests held by both companies. Pamour contributed approximately 80 million tonnes of tailings in 13 dams to the joint venture for which it is entitled to receive from the joint venture up to $3,078,050 ($0.03834 per tonne) in 10 equal yearly payments commencing August 15, 1987. (Refer to note 5(c)(iv)).

(ii) When commercial production commences on each dam, the portion of the $3,078,050 relating to that dam that is owing will become payable within six months and the company will become entitled to receive a 4% net smelter return royalty based on production.

Beyond these payments, the parties have an equal participation in the joint venture.

(iii) In October and November 1986, the company acquired 1,407,988 (25.5%) of the outstanding common shares of ERG Resources Inc., ("ERG") for cash of $4,928,000. Additional acquisition costs incurred amounted to $176,000. The excess of the cost of the net assets acquired over the underlying book values in the accounts of ERG ($4,445,000) has been allocated to resource interests of ERG and will be capitalized until such time as their economic viability is determined.

(iv) By an agreement dated October 29, 1986, the company has agreed to exchange its interest in the joint venture with ERG for 4,516,791 common shares of ERG valued at $3.50 per share. Those shares will be carried at the same value as the investment in the joint venture, $732,000, which represents the company's share of the cost of the feasibility study. The company will retain the 4% net smelter return royalty on production and the entitlement to receive $3,078,050. This transaction is subject to approval by the shareholders of ERG which was received on March 5, 1987 and has not been accounted for in these financial statements. Following completion of this transaction, together with the acquisition of shares referred to in note 19(b), the company will own approximately 66% of the outstanding common shares of ERG.

6. Suspended Mining Operations

Included in fixed assets are buildings, equipment and deferred development costs having a net book value of $11,191,000 which represent the unrecovered investment in the Timmins Underground Mine. Operations at this mine were suspended during the fourth quarter of 1984 because they were not profitable at prices then prevailing. The mine is being maintained in good condition but the recovery of this investment is dependent upon a sustained increase in the market price for gold.

7. Resource Properties, Deferred Exploration and Pre-production Costs

Deferred exploration and pre-production costs include costs of acquiring and exploring mining properties together with development costs, including buildings and equipment, on properties which are in the pre-production stage. These costs will be depreciated once commercial production on the related properties commences or will be written off at such time as the related properties are abandoned.

The following projects are included:

	(in thousands)	
	1986 **$**	1985 $
Bell Creek	**14,086**	—
Mikwam	**2,124**	—
Other exploration interests	**5,084**	285
	21,293	285

8. Bank Loans

Receivables, bullion and inventory and the shares of Giant, Akaitcho Yellowknife Gold Mines Limited, and Pamorex have been pledged as security on the company's bank loans. The company has also provided an assignment of its mining properties and forward sales contracts plus a first fixed and floating charge on all of its assets as security on these loans (refer to note 19(c)).

9. Convertible Note from Related Company

On November 21, 1986, the company borrowed $5,200,000 from a related company and issued a 12 month convertible note in that amount. The principal amount of the note may be converted during the term into a maximum of 400,000 common shares of the company on the basis of $13 per share. The note bears interest at the Australian prime rate plus 1.5% (refer to note 19(e)).

10. Long-Term Debt

	(in thousands)	
	1986 **$**	1985 $
Obligations under capital lease	**625**	647
Mortgages payable through 1989 with interest at prime plus .5%	**361**	—
	986	647
Less: Current portion	**(298)**	(141)
	688	506

Equipment with net book values of $506,000 and $589,000 has been pledged as security for the mortgages and obligations under capital lease, respectively. The aggregate amount of payments required in each of the next four years to retire the long-term debt is as follows:

	(in thousands) $
1987	298
1988	342
1989	308
1990	38

Interest on long-term debt for the year amounted to $73,000.

11. Capital Stock

(a) During the nine months ended September 30, 1986, the company issued 750,000 common shares for cash consideration of $8,250,000 by way of private placement. Share issue expenses of $442,000 have been charged against issued capital.

(b) On September 30, 1986, the company completed a private placement of 150 units of 1,000 common shares at $18 per share for a total consideration of $2,700,000. The company must spend these funds on certain qualified expenditures before March 2, 1987, at which time, if insufficient expenditures have been made, the remaining proceeds become refundable to the unit holders. Under terms of the placement agreement, the company will transfer the tax benefit of these expenditures to the purchasers of these shares.

At December 31, 1986, the company had spent $1,598,000 on qualified exploration and had been reimbursed an equal amount from the trust. Under terms of the placement agreement, the company must issue the shares for these expenditures before September 30, 1987.

(c) On October 14, 1986, the company issued 520,386 common shares valued at $14 per share in connection with the acquisition of Pamorex (note 3).

(d) During 1986, certain directors of the company were granted options to purchase an aggregate of 330,000 common shares, exercisable from June 5, 1986 until June 13, 1989 at an exercise price of $13 per share. Options to acquire an additional 2,500 shares at the same price and terms were also granted to an officer. No options had been exercised as at December 31, 1986.

In addition, the company has reserved 100,000 common shares to be allocated to employees as incentive stock options at the discretion of management. As at December 31, 1986, stock options in respect of an aggregate of 78,000 common shares have been allocated to employees. These options are exercisable over three year periods at an exercise price of $13 per share.

(e) The company has agreed to purchase an additional 1,136,125 shares of ERG Resources Inc. (see note 5 and 19(b)) from an associated company and has agreed to issue 300,108 shares from treasury at an issue price of $13.25 per share to the associated company, subject to approval of the company's shareholders.

12. Government Assistance

During the year, the company received a forgivable interest free loan of $950,000 from the government of Ontario towards the capital cost of a custom gold milling facility. This amount has been accounted for as a reduction in the cost of the mill. Under terms of the agreement, these funds have been placed in an interest bearing term deposit to be withdrawn in equal amounts over five years in accordance with terms of the agreement. As at December 31, 1986, $190,000 of the loan has been forgiven.

13. Prior Period Adjustment

At December 31, 1985, the company had received notification of proposed reassessments under the Mining Tax Act of approximately $1,735,000, including interest, with respect to years 1979 through 1981. Formal reassessment notices had not been received pending resolution of a similar matter which was before the courts. The company believed that its position was justified and, accordingly, no provision had been made in its financial statements.

During 1986, the court ruled on this matter and the company received formal notices of reassessment and a requirement to pay the tax before April 30, 1987. Accordingly, this amount has been accounted for as a retroactive charge to retained earnings. However, the result of this legal action has been appealed and if the appeal is successful, the company has been advised that the notices of reassessment will be amended.

14. Related Party Transactions

(a) The company received $70,000 for administration services provided to an associated company and paid $37,000 for interest charges on the convertible note to a related company. Additionally, the company paid $140,000 for rent and $260,000 for corporate and consulting fees to a company of which two of Pamour's directors are also directors.

(b) The company purchased its interest in ERG Resources Inc. from certain officers and directors and from companies of which certain of Pamour's officers or directors are also officers and/or directors for total proceeds of $4,928,000.

Certain of the directors and officers of the company are directors and officers of ERG. See note 5 for details of transactions involving ERG.

15. Income Taxes

(a) Losses available for carry-forward

At December 31, 1986, the company has available for carry-forward tax losses amounting to approximately $10,600,000 which may be applied against taxable incomes in the years 1987 to 1991, and capital losses of $5,300,000 which may be applied against capital gains in any year. The future tax benefits arising from $5,400,000 of the tax losses and all the capital losses have not been recognized in the financial statements.

(b) Explanation of variations from the basic income tax rate. The company's provision for income taxes is made up as follows:

	(in thousands)	
	1986 **$**	1985 $
Provision based on combined Federal and Ontario rates of 52.3% (1985 – 50.9%)	**934**	6,096
Increase (decrease) in taxes resulting from:		
Capital gains	**(37)**	(3,327)
Resource allowance and earned depletion	**(777)**	(540)
Non-taxable dividends	**—**	(174)
Other	**(18)**	(32)
Income tax provision	**102**	2,023

16. Segmented Information

The company operates in what is considered to be a single industry, principally mineral extraction and exploration. Its products are sold mainly in Canada.

17. Commitments

(a) Forward Gold Sales

At December 31, 1986, the company had committed to sell 97,500 ounces of gold at prices averaging Cdn. $548 per ounce for delivery up to January 29, 1988. Gains and losses are recorded on these contracts when the contracts are closed.

(b) Guarantees

Included in minority interest at December 31, 1986, is $2,000,000 of preferred shares of Pamorex for which the company has guaranteed the dividend payments and redemption obligations. The preferred shares are redeemable at the option of the preferred shareholder in the amount of $400,000 per annum for a five year period commencing January 1, 1987 (see note 19(a)).

(c) The Company's subsidiary has an agreement with a joint venturer with respect to the Bell Creek Property which includes a commitment of costs of construction and startup costs of an on-site mill of approximately $2,920,000 and exploration and development costs of approximately $980,000.

(d) The company's subsidiary has a commitment to contribute approximately $640,000 during 1987 for its share of the exploration program of the joint venture it has with respect to the Mikwam resource property.

18. Pension Plans

The company maintains two separate non-contributory pension plans for its salaried and hourly paid employees. These plans are subject to an annual actuarial valuation, the last valuation being at January 1, 1986.

The plans provide for past service pension benefits which were fully funded at January 1, 1986, with surplus positions of $1,318,000 in the salaried plan, and $697,000 for the hourly plan. As a result of the surpluses in these plans, no company contributions have been required in 1986 or in 1985.

19. Subsequent Events

(a) On January 1, 1987, the company acquired $400,000 of preferred shares of Pamorex held by third parties.

(b) On February 10, 1987, the shareholders approved the issue of up to 300,108 common shares to an associated company in exchange for up to 1,136,125 shares of ERG Resources Inc.

(c) Subsequent to year end, the company issued 2,600,000 common shares to an associated company for cash of $33,800,000, less a commission of $1,014,000 paid to the associated company. Proceeds of $15,100,000 were applied to reduce the company's current bank loans.

(d) On November 18, 1986, the company entered into an agreement with Giant pursuant to which the company will sell substantially all of its mining operations and certain other assets to Giant in return for $17.5 million cash, 2,683,567 treasury shares of Giant plus the assumption by Giant of certain liabilities relating to the mining operations of Pamour. As a result of this transaction, Pamour will increase its equity ownership of Giant from 19.2% to 50.2%. On March 10, 1987 this transaction was approved by the shareholders of both companies.

(e) Subsequent to year end, the convertible note payable in the amount of $5,200,000 was converted into 400,000 common shares of the company.

PAMOUR

Directors

J.M.R. Berardo
Johannesburg, S. Africa

• J.J. Byrne
Melbourne, Australia

• † P.R. Clarke
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• D.C. Deacon
Toronto, Ontario

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Toronto, Ontario

C. Kyriakou
Sydney, Australia

† J. Conrad Lavigne
Timmins, Ontario

D.S. MacLeod
Aurora, Ontario
(resigned April 2, 1987)

R. R. McEwen
Toronto, Ontario

• † E.F. Merringer
Toronto, Ontario

D.E.G. Schmitt
Toronto, Ontario

• R. Needham
Sydney, Australia
(May 1987)

Senator Jack Austin
Ottawa, Ontario

• Executive Committee Member
† Audit Committee Member

Officers

R. Needham
Sydney, Australia
Chairman of the Board

C.H. Frame
President
(June 1987)

R.M. Sweetin
Vice-President

A.H. Ransom
Vice-President, Exploration

E.F. Merringer
Secretary

R.G. Newbury
Assistant Secretary

O.J. Shore
Treasurer

P.O.Henderson
Assistant Treasurer

Area Mine Management

P.M. Rowlandson
General Manager

N.J. Resetar
Manager of Services

J. Rutherford
Surface Mining Manager
Schumacher/Timmins

R.D. Lindsay
Manager, Business Development Group

R.W. McBean
Superintendent, Technical Services

M. Lalonde
Manager, No. 1 Mining Operations

C. Brown
Manager, Ross Mine

G. Gryba
Area Plant Superintendent

F.C. Harvey
Manager Metallurgy

J. J. Bell
Metallurgical Consultant

E. Marcotte
Area Metallurgical Superintendent

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PAMOUR