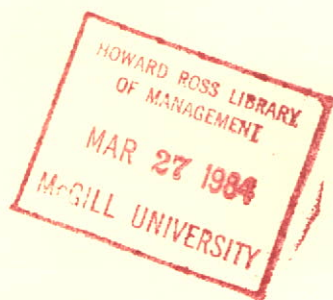


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# **PAMOUR PORCUPINE MINES, LIMITED**

**ANNUAL REPORT 1983**



**noranda** group

Common shares issued . . . . .	7,006,424	—	100%
Common shares registered in the names of:			
— Noranda . . . . .	3,413,017	—	48.71%
— 1,454 other Canadians . . .	3,079,230	—	43.95%
— 679 others . . . . .	514,177	—	7.34%

Pamour Porcupine Mines, one of the Noranda Group of Companies, was incorporated in 1934 under a Federal charter for the purpose of producing gold and other by-product metals from natural mineral deposits. The name Pamour derives from two early prospectors in the Porcupine area of northern Ontario, La Palme, who discovered gold on the property before World War I, and D'Amour, who bought contiguous claims and became his partner.

Production at the No. 1 Mine began in May 1936, with a mill designed to treat 500 tons of ore per day. Pamour has acquired, by purchase or lease the mineral rights and some physical assets associated with a number of former producing mines, including properties still remembered as the "Hallnor", "Aunor", "Delnite", "Buffalo Ankerite", "McIntyre", "Coniaurum", "Hollinger", "Ross", "Porcupine Peninsular", "Gold Hawk", "Young-Davidson", and "Matachewan Consolidated".

Exploration, development, or mining work was continued on most of these properties in 1983. Ores are transported to and treated in two large concentrating plants, the No. 1 and the Schumacher mills, with a combined capacity in excess of 5,500 tons per day.

Pamour operations employ some 1,000 persons and thereby contribute substantially to the support of the Timmins-Porcupine area.

# PAMOUR PORCUPINE MINES, LIMITED

EXECUTIVE OFFICE ADDRESS:  
P.O. BOX 45, COMMERCE COURT WEST  
TORONTO, ONTARIO M5L 1B6

## DIRECTORS

P. R. Clarke .....	Toronto
D. H. Ford .....	Toronto
J. M. Gordon .....	Toronto
J. A. Graham .....	Omeme, Ontario
J. Conrad Lavigne .....	Timmins
The Rt. Honourable Roland Michener .....	Toronto
R. P. Riggin .....	Toronto
D. E. G. Schmitt .....	Toronto
J. C. White .....	Toronto

## HONORARY DIRECTOR

A. W. Stollery .....	Toronto
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## OFFICERS

D. E. G. Schmitt .....	Chairman
J. M. Gordon .....	President & Chief Executive Officer
W. M. O'Henly .....	Secretary
E. K. Cork .....	Treasurer
M. C. Proctor .....	Comptroller
W. W. Holmes .....	General Manager
B. C. Bone .....	Assistant Treasurer

**MINE OFFICE** P.O. Bag 2010, Timmins, Ontario P4N 7E7

W. W. Holmes .....	General Manager
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## TRANSFER AGENT AND REGISTRAR:

Canada Permanent Trust Company, Toronto and Montreal

## ANNUAL MEETING

May 3, 1984 — 12:30 p.m. (Toronto Time),  
Royal York Hotel, Toronto



## DIRECTORS' REPORT TO SHAREHOLDERS

This 50th Annual Report includes the financial statements of the Company, the auditors' report and related notes for the year ended December 31, 1983, information and statistical data about metal markets, operations, property location maps and other matters of interest to shareholders.

Gold production was lower than in the previous year due mainly to a seven week labour dispute in the late spring, and lower productivity preceding and subsequent to the work stoppage. This was the first work interruption due to labour strife in the fifty-year history of the Company.

The consequent lower production, and the declining price for gold, led to a decrease in revenue from operations to \$53.5 million, some 4.6% less than in 1982. Although operating costs were reduced by some \$4.4 million, royalties and exploration expenditures were increased; and after allowing for depreciation and amortization, there was a loss from operations of \$760,000. This loss was offset by net gains on the sale of investments and draw-downs of previously accumulated deferred income and production taxes to provide a net profit of \$2.6 million.

To reduce short term debt and resultant interest payments, certain investments were sold during the year yielding cash proceeds of \$7.0 million. These sales, along with the cash generated from operations, were sufficient to reduce the short term loan from \$19.5 million at the beginning of the year to \$8.7 million at year end.

No dividends were paid during the year. The last dividend was paid in June of 1981. Since production commenced in May 1936, some \$23.7 million have been paid to shareholders in dividends.

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### OPERATIONS SUMMARY

#### — Production — Earnings — Employees

	1979	1980	1981	1982	1983
Ores mined and treated — '000 tons	1,702	1,826	1,758	1,637	1,306
Production in concentrate and bullion —					
Gold — ounces . . . .	136,964	113,809	103,232	119,523	101,969
Silver — ounces . . . .	62,180	56,508	59,285	72,342	58,361
Copper — '000 lbs. . . .	3,409	3,808	3,451	702	288
Ores and concentrates treated for others					
on a toll basis — tons . . . . .	35,300	133,800	147,400	170,000	229,800
Revenue from production — \$000 . . . . .	56,222	78,388	65,787	56,108	53,508
Net earnings (loss) — \$000 . . . . .	9,553	7,880	(11,770)	(1,303)	2,630
Average number of employees	1,022	1,110	1,278	1,019	991
Payroll and benefits — \$000 . . . . .	21,584	27,937	34,845	31,695	28,135
Supplies and services — \$000 . . . . .	16,717	30,718	36,423	31,491	23,379

Ore production was from five underground mines and several surface pits, all treated in two processing plants. Additional ores and concentrates were treated for seven other shippers on a toll basis during the year. These made up 15% of the total tonnage treated.

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## METAL MARKETS

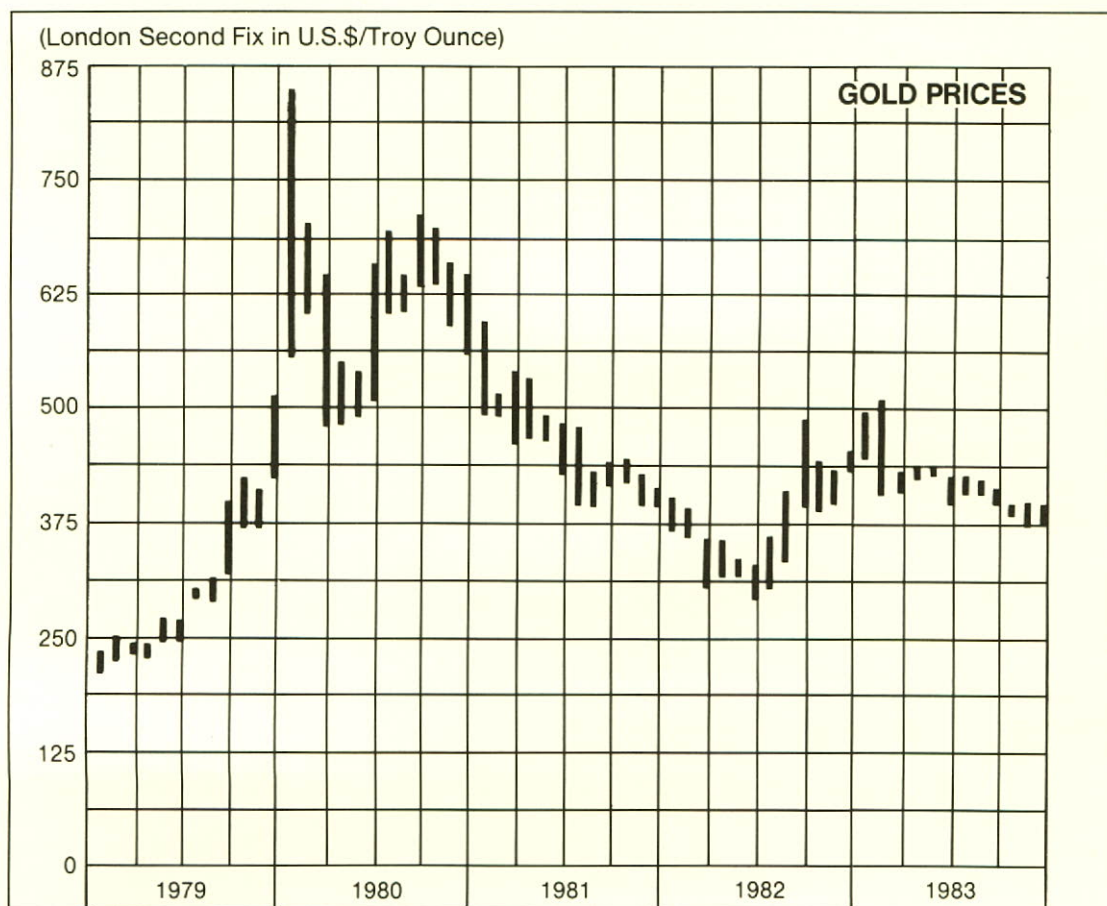
### GOLD

Western World Balance — '000,000 Troy Ounces

	1981 Year	1982 Year	1983 Est.	1984 Est.
Supply — Mines: .....	30.9	32.6	33.5	35.1
— Communist bloc .....	9.1	6.6	2.6	5.0
— Net Banks/I.M.F. ....	(8.3)	(3.2)	1.6	(2.0)
Total Supply .....	31.7	36.0	37.7	38.1
Consumption — Industrial .....	26.8	30.1	27.5	29.5
— Coin .....	7.9	5.3	6.1	6.5
Total Consumption .....	34.7	35.4	33.6	36.0
Surplus (Deficit) .....	(3.0)	0.6	4.1	2.1

Apart from a very temporary rise in price at the end of November, the gold market remained weak in light of the continuing strength of the U.S. dollar. This also affected jewellery demand in Europe where prices were high in terms of local currencies.

The price was further influenced by a moderating U.S. money supply policy and lower inflation. Investor sentiment remained negative as certain banks sold parts of their gold reserves to alleviate debt problems, while deliveries from communist countries in 1983 were less than half of the amount marketed in 1982. The price of gold fell during the year from a high of U.S. \$508.50 in February to a low of U.S. \$374.75 in November, and closed the year at U.S. \$381.50.





## SILVER

### Western World Balance — '000,000 Troy Ounces

	1981 Year	1982 Year	1983 Est.	1984 Est.
Supply — Primary .....	270.0	285.1	308.0	318.0
— Secondary .....	148.0	108.3	142.0	150.0
— U.S. Stockpile .....	2.0	2.0	2.0	2.0
Total Supply .....	420.0	395.4	452.0	470.0
Consumption .....	383.0	370.0	385.0	405.0
Surplus .....	37.0	25.4	67.0	65.0

Stocks on the three terminal exchanges rose by 39% to a year end level of 198.4 million ounces. The increased supply acted as a significant depressant on the market, and despite the strong economic recovery, U.S. consumption was virtually unchanged from 1982, thus reversing a three-year trend of declining surplus.

Primary supply rose during the year due to increased production primarily in Mexico and, to a lesser extent, Peru, with both countries in desperate need of foreign exchange. Secondary supply was up, reflecting industrial users' efforts to recycle as much scrap as possible.

In light of weak fundamentals, silver prices followed the direction of gold, falling from a high of U.S. \$14.66 in February to a low of U.S. \$8.37 in November and closed the year at U.S. \$8.91.

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## OTHER INTERESTS

### Canadian Arrow Mines Limited (46%)

Because of the relatively low gold price, Pamour did not carry out any mining activities on the Hislop Township property owned by Canadian Arrow and leased to Pamour. Substantially higher prices would be necessary before Pamour would reactivate this project and in consequence, Pamour has written down the carrying value of its investment in Canadian Arrow to an amount which approximates its share of Arrow's underlying equity.

### Mining Corporation of Canada Limited

As at the end of 1982, Pamour sold its 25% interest in Mining Corporation to Noranda Mines Limited. As part of the transaction, Noranda assumed the liabilities of Mining Corporation, which were in excess of its assets.

## OUTLOOK

The price of gold is beyond our control, but the cost per ounce produced and the tons of ore mined per ounce are two key factors that can be controlled. Continuing emphasis will be placed on these. To sustain a profitable operation through 1984, operating costs must be further reduced and productivity improved. The efforts of employee action groups will be encouraged with emphasis on safe working practices, cost reduction, increased productivity and greater employee satisfaction.

Exploration activity will continue to be concentrated in the Timmins Porcupine area. Land holdings have been reviewed and those areas considered not to have mineral potential have been dropped. Exploration of the more favourable lands will be pursued to increase mineral inventory. The joint venture agreement with Vedron Ltd., signed in July, 1982, provides

for exploration and development on adjacent claims in Tisdale Township where earlier drilling had indicated a gold bearing structure. Further drilling has been done and preparations for a development ramp are being made.

With the continuing improvement in economic conditions, a lowering of inflation and control of the money supply in the United States, the gold price most likely will be contained in a relatively narrow range around Cdn. \$500 per ounce during the coming year. In the longer term, the re-emergence of modest inflation, as a consequence of the high American and Canadian federal budget deficits, is expected to strengthen the gold price.

On February 27, 1984, an agreement was signed with the Government of Ontario for the construction of a custom gold milling facility under the province's GOMILL program with funding from the Board of Industrial Leadership and Development Program. The existing Schumacher mill crushing facilities will be utilized, along with new grinding and flotation circuits dedicated to the GOMILL operation. Processing of outside ores and concentrates forms an important part of Pamour's operation and has been increasing steadily since 1979. The GOMILL facility will add to the scope of the services available to a growing number of customers. Late in 1983, Pamour Analytical Services was established to meet the growing demand for custom assaying in the Porcupine area.

On behalf of the Directors and Officers, I wish to express appreciation to the employees whose contribution during the year has made possible the progress reported above. Their ongoing effort and dedication is solicited to ensure that Pamour continues as a viable mining operation.

On Behalf of the Board

J. M. Gordon  
President.

Toronto, Ontario  
March 2, 1984



## **GENERAL MANAGER'S REPORT TO THE SHAREHOLDERS**

### **Operations**

Mining operations produced 1,306,022 tons of ore averaging 0.090 ounce of gold per ton. An additional 229,764 tons of ore and concentrates were processed for seven other companies on a toll basis.

Production was halted during May and June by a seven week strike of unionized employees. This work disruption, the first in the history of the company, resulted in a significant loss of production, and adversely affected operating results, efforts to decrease costs, increase grade and maximize productivity.

The effort to optimize the economic mix of tons and grade was successful however, to the extent that overall ore grade increased by seven percent. In addition, the grade and/or the monthly ounces produced from each property increased during the year as compared to 1982. Productivity, though low during the first half of the year, improved during the final half to better than 6.2 tons per man shift. Shrinkage mining has been selectively re-introduced at the Ross, No. 3, Timmins and Schumacher Mines. At the Ross Mine this is permitting development and mining of narrow higher grade veins in the upper levels, while higher productivity bulk mining continues through the remainder of the mine. At No. 3, Schumacher and Timmins properties, shrinkage mining of selected areas will allow significant cost reduction relative to current cut and fill methods.

The Timmins Mine did not operate profitably in 1983, in part due to a shaft problem which disrupted production in the second quarter, and a serious change in vein continuity during the fourth quarter. However, excluding the second quarter interruption, gold production per month increased by 30% when compared with 1982, and progress continues to be made in improving methods, backfilling techniques and planning systems. This progress is expected to result in profitable operations during 1984.

### **Mineral Inventory**

The proven mineral inventory at year end was 2,754,000 tons averaging 0.092 ounce of gold per ton. The probable and possible mineral inventory contains an additional 6.0 million tons averaging 0.097 ounce of gold per ton.

### **Exploration and Development**

The mineral inventory represents the material available for mining at the operating sites. Definition and development of this inventory continued at a high rate in 1983, as indicated by the 16% increase in diamond drill footage and the 41% increase in development footage.

Mineral rights associated with Pamour's operating sites account for 75% of Pamour's total mining lands (21,000 acres). Other significant mineral rights are held in the Matachewan, Hislop Township, and Nighthawk Lake areas. The Nighthawk Lake area has been of particular interest for several years. The potential is highly regarded. The cost and long term nature of this exploration program, however, has led Pamour to seek a joint venture partner (Noranda) for part of this particular project. In addition to work on these properties, Pamour initiated a sonic drill testing program of tailings areas in the Porcupine district. A 300,000 ton area of tailings, deposited in the 1920's, and containing 0.06 ounce of gold per ton, has been identified. Metallurgical test work is proceeding to determine the best method of extraction.

### **General**

The lost time injury frequency for the year was reduced to 13.8 per million manhours from 15.0 per million manhours in 1982 and compares favourably with the frequencies of the Ontario gold mining group as well as the total Ontario mining industry.

Pamour's injury frequency has been favourably affected by accident free performance for 1983 by the employees in the metallurgical plants and the Schumacher Mine. Underground maintenance crews at Schumacher have now worked over 10 years without a lost time injury.

Continued use of the Safety System and Modular Training, and the successful operation of Health and Safety Committees, have all contributed significantly to Pamour's safety results.

The employee profit sharing plan introduced in 1979 has served to improve the environment for communication, cooperation and participation. During 1983 this environment was further developed by the formalizing of employee involvement projects in most departments. Many improvements have resulted in areas such as scooptram operation at the Ross mine, crushing plant operation at the Schumacher mine, and stope and equipment maintenance planning at the Timmins mine. The general cooperation of all employees has been very much appreciated.

W. W. Holmes,  
General Manager.

Toronto, Ontario  
March 2, 1984



**PAMOUR PORCUPINE MINES, LIMITED**  
**PRODUCTION STATISTICS, DEVELOPMENT AND PROVEN MINERAL INVENTORY FOR YEAR 1983**

<b>Mines</b>		No. 1	No. 3	Schumacher	Ross	Timmins	Others	Totals	
<b>Mill Sites</b>		No. 1		Schumacher				1983	1982
Ores milled — tons	(000's)	486.8	56.4	221.7	239.1	294.4	7.6	1,306	1,637
Average rate per day	— tons	1,334	154	607	655	807	21	3,578	4,485
Ore grade									
Gold	— oz/ton	0.079	0.141	0.095	0.093	0.093	0.044	0.090	0.084
Copper	— %	—	—	—	0.110	—	—	0.022	0.073
Gold in bullion and concentrate	— oz.	34,927	7,233	18,597	18,010	22,939	263	101,969	119,523
Copper in concentrate	— tons	—	—	—	144	—	—	144	351
Silver in bullion and concentrate	— oz.	11,258	—	13,615	33,488	—	—	58,361	72,342
Mill Recoveries									
Gold	— %	88.2	—	83.0	—	—	—	86.6	87.3
Copper	— %	—	—	51.0	—	—	—	51.0	65.4
Employees at year end	— No.	336	75	345	95	111	—	962	978
Productivity — per manshift	— tons	8.1	3.5	5.0	11.5	10.9	—	6.0	6.2
Development — drifts and raises	— ft.	3,585	270	2,243	1,572	74	—	7,744	5,482
Stope preparation	— ft.	11,052	2,000	1,278	1,552	3,507	—	19,389	28,119
Diamond drilling	— ft.	36,778	6,809	29,830	36,866	16,711	—	126,994	109,240
<b>Proven Mineral Inventory</b>									
<b>(at December 31)</b>									
Tons	— 000's	1,425	60	219	689	361		2,754	2,725
Grade — gold	— oz/ton	0.077	0.127	0.083	0.105	0.125		0.092	0.100

# PAMOUR PORCUPINE

(Incorporated under the

## BALANCE SHEET AS

### ASSETS

	1983	1982
	(in thousands)	
	\$	\$
<b>Current Assets</b>		
Cash .....	3	12
Accounts and settlements receivable —		
Associated companies .....	1,041	3,385
Other trade .....	730	559
Bullion and concentrates .....	6,026	8,527
Stores .....	3,045	2,663
Prepaid expenses and deposits .....	207	169
	<u>11,052</u>	<u>15,315</u>
<b>Investments (note 2) .....</b>	<u>5,171</u>	<u>10,085</u>
<b>Fixed Assets</b>		
Plant, buildings, equipment and townsite — at cost .....	26,635	26,099
Accumulated depreciation .....	14,686	12,991
	<u>11,949</u>	<u>13,108</u>
Mine properties — at cost, less accumulated amortization .....	112	183
Deferred development — at cost, less accumulated amortization		
of \$1,114,000 (1982 — \$567,000) .....	6,439	6,986
Deferred exploration .....	200	—
	<u>18,700</u>	<u>20,277</u>
	<u>34,923</u>	<u>45,677</u>

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Pamour Porcupine Mines, Limited as at December 31, 1983 and the statements of earnings and retained earnings and changes in financial position 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 financial statements present fairly the financial position of the company as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, except for the change in method of accounting for exploration expenditures as described in note 6 to the financial statements, on a basis consistent with that of the preceding year.

January 27, 1984  
Toronto, Canada

Coopers & Lybrand  
Chartered Accountants



# MINES, LIMITED

(In thousands of Canadian dollars)

AT DECEMBER 31, 1983

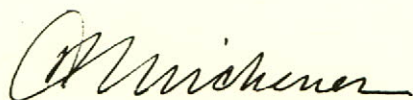
## LIABILITIES

	1983	1982
	(in thousands)	
	\$	\$
<b>Current Liabilities</b>		
Accounts payable .....	7,992	11,051
Due to associated companies —		
Secured loan (note 3) .....	8,740	19,450
Trade accounts .....	1,058	229
Income and production taxes .....	1,020	305
	<u>18,810</u>	<u>31,035</u>
<b>Taxes Provided Not Currently Payable</b> .....	2,190	3,349
<b>Provision for Redundancy</b> .....	<u>1,080</u>	<u>1,080</u>
	<u>22,080</u>	<u>35,464</u>

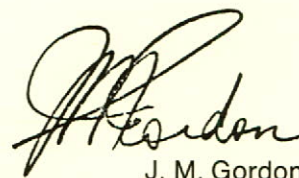
## SHAREHOLDERS' EQUITY

<b>Capital Stock</b>		
Authorized —		
Unlimited number of common shares		
Issued and fully paid —		
7,006,424 common shares .....	8,492	8,492
<b>Retained Earnings</b> .....	<u>4,351</u>	<u>1,721</u>
	<u>12,843</u>	<u>10,213</u>
	<u>34,923</u>	<u>45,677</u>

SIGNED ON BEHALF OF THE BOARD



The Rt. Honourable Roland Michener  
Director



J. M. Gordon  
Director

**STATEMENT OF EARNINGS AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 1983**

	1983	1982
	(in thousands; except per share data)	
	\$	\$
<b>Revenue</b>		
Gross value of bullion and concentrates produced .....	55,506	58,001
Less: Treatment and marketing costs .....	1,998	1,893
	<u>53,508</u>	<u>56,108</u>
<b>Expenses</b>		
Cost of production .....	46,884	51,302
Royalties .....	1,718	445
Administration .....	625	634
Depreciation and amortization .....	2,314	2,501
Exploration and development .....	2,727	2,139
	<u>54,268</u>	<u>57,021</u>
<b>(Loss) from Operations</b> .....	<u>(760)</u>	<u>(913)</u>
<b>Investment Income (Expense)</b>		
Gain on sale of investments, net of write-down .....	2,058	—
Dividends from associated companies .....	511	1,014
Share of loss in associated company .....	—	(1,339)
Interest — short term .....	(1,231)	(2,215)
	<u>1,338</u>	<u>(2,540)</u>
<b>Earnings (Loss) Before the Following</b> .....	<u>578</u>	<u>(3,453)</u>
<b>Income and Production Taxes Recoverable</b> .....	<u>1,238</u>	<u>2,150</u>
<b>Earnings (Loss) Before Extraordinary Item</b> .....	<u>1,816</u>	<u>(1,303)</u>
<b>Extraordinary Recovery of Taxes</b> .....	<u>814</u>	<u>—</u>
<b>Net Earnings (Loss) for the Year</b> .....	<u>2,630</u>	<u>(1,303)</u>
<b>Retained Earnings — Beginning of the Year</b> .....	<u>1,721</u>	<u>3,024</u>
<b>Retained Earnings — End of the Year</b> .....	<u>4,351</u>	<u>1,721</u>
 <b>Earnings (Loss) Per Share — Before Extraordinary Item</b> .....	 <u>.26</u>	 <u>(.19)</u>
<b>Earnings (Loss) Per Share — After Extraordinary Item</b> .....	<u>.38</u>	<u>(.19)</u>



**STATEMENT OF CHANGES IN FINANCIAL POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 1983**

	<b>1983</b>	<b>1982</b>
	(in thousands)	
	\$	\$
<b>Source of Funds</b>		
Earnings (loss) before extraordinary item .....	<b>1,816</b>	(1,303)
Items not affecting working capital —		
Depreciation and amortization .....	<b>2,314</b>	2,501
Share of loss in associated company .....	<b>—</b>	1,339
Gain on sale of investments, net of write-down .....	<b>(2,058)</b>	—
Taxes provided not currently payable .....	<b>(1,159)</b>	(2,339)
Provided from operations .....	<b>913</b>	198
Proceeds on sale of investments .....	<b>6,972</b>	—
Proceeds on sale of fixed assets .....	<b>4</b>	95
Extraordinary item — recovery of taxes .....	<b>814</b>	—
	<b><u>8,703</u></b>	<u>293</u>
<b>Use of Funds</b>		
Deferred development expenditures .....	<b>—</b>	2,289
Additions to fixed assets .....	<b>541</b>	2,115
Deferred exploration expenditures .....	<b>200</b>	—
	<b><u>741</u></b>	<u>4,404</u>
<b>Increase (Decrease) in Working Capital .....</b>	<b>7,962</b>	(4,111)
<b>Working Capital (Deficiency) — Beginning of the Year .....</b>	<b>(15,720)</b>	(11,609)
<b>Working Capital (Deficiency) — End of the Year .....</b>	<b><u>(7,758)</u></b>	<u>(15,720)</u>

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 1983

### 1. Accounting Policies

- (a) Bullion and concentrates  
The company records as revenue the estimated realizable value of bullion and concentrates awaiting sale.
- (b) Stores Inventory  
Stores inventory is valued at the lower of cost and replacement cost.
- (c) 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.
- (d) Depreciation and amortization  
Depreciation of plant, buildings, equipment and townsite, and amortization of mine properties are provided at rates designed to write off the capital costs associated with each mine over its estimated productive life. Generally, the unit of production method is used. Development expenditures are written off as incurred, except where they represent start-up costs on major new projects. These development expenditures are deferred until the properties are brought into production, at which time they are amortized on a unit of production basis, or until the properties are abandoned, at which time they are written-off.
- (e) Exploration  
Exploration expenditures are charged against current earnings unless they relate to properties from which a productive result is reasonably certain or on which work is in process.
- (f) Taxes  
The company provides for income and production taxes by the tax allocation method. 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.

Potential tax savings arising from losses incurred are not reflected in earnings in the year they arise unless there is virtual certainty that they will be realized. Federal investment tax credits are recognized as a reduction in the provision for income taxes in the years in which such credits are claimed for tax purposes.

### 2. Investments

	1983	1982
	(in thousands)	(in thousands)
	\$	\$
Shares in associated companies — at cost (quoted market value: 1983 — \$20,765,000; 1982 — \$22,075,000) .....	4,759	9,610
Shares in associated companies — accounted for using the equity method .....	412	—
Other shares — at cost (quoted market value: 1982 — \$219,000) .....	—	475
	<u>5,171</u>	<u>10,085</u>

At December 31, 1983, the investments include 550,091 common shares of Noranda Mines Limited with a quoted market value of \$14,577,000 and 300,000 shares of Kerr Addison Mines Limited with a quoted market value of \$6,188,000.



### 3. Related Party Transactions

During the year, the company had business transactions with Noranda Mines Limited and with certain of Noranda's subsidiary and associated companies. Transactions related to the processing and sale of mine products were effected at rates set out in contractual agreements, such agreements being similar to those commonly used in the industry. Purchases of operating supplies were at normal market prices. Charges for services were at rates which approximate the actual cost of providing the services.

Details of 1983 and 1982 transactions are as follows:

	1983	1982
	(in thousands)	
	\$	\$
Noranda charges to Pamour		
Smelting and refining tolls .....	1,169	1,296
Purchases of operating supplies .....	591	566
Management and data processing services .....	562	537
Pamour charges to Noranda		
Milling tolls .....	53	—
Engineering, exploration and sundry services .....	154	—

The balances shown as receivable from and payable to associated companies resulting from the above transactions are current and normal under the terms of the various agreements.

The company participates with Noranda and associated companies in a short-term investment pool. At the year-end, the company was indebted through this pool to associated companies to the extent of \$8,740,000 (1982 — \$19,450,000). Interest is charged or credited at market rates.

The loan is evidenced by a demand debenture in favour of Noranda, secured by a floating charge on all the company's undertaking, property and assets.

### 4. Segmented Information

The company operates in what is considered to be a single industry, principally mining for gold and other metals. Its products are sold mainly in Canada.

### 5. Capital Commitments

At December 31, 1983, authorized capital expenditures amounted to approximately \$1,144,000.

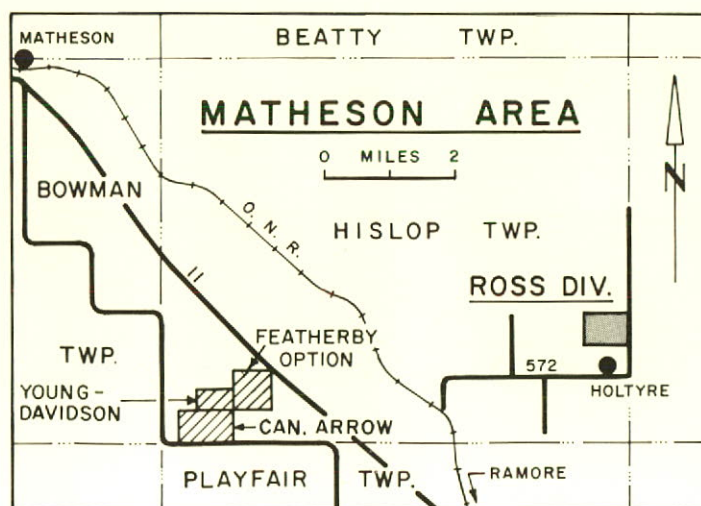
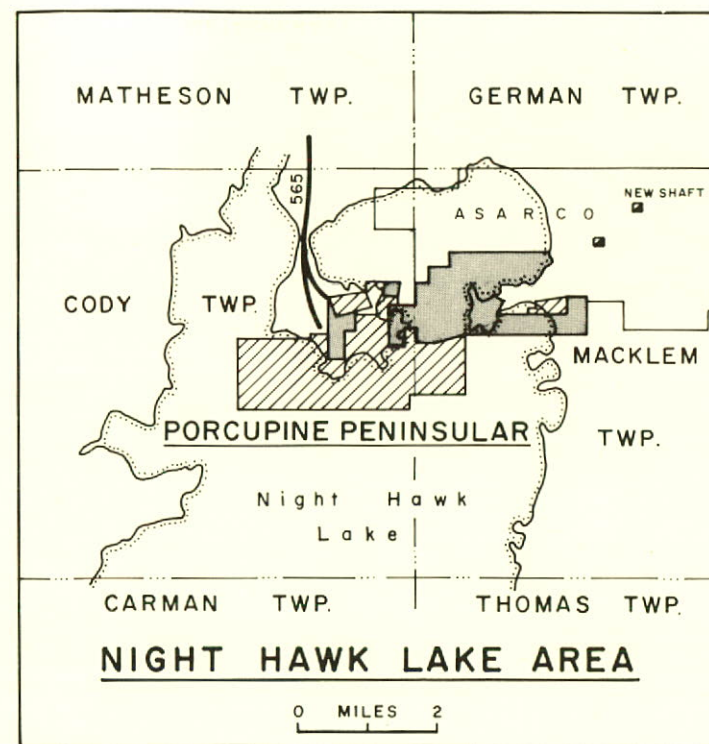
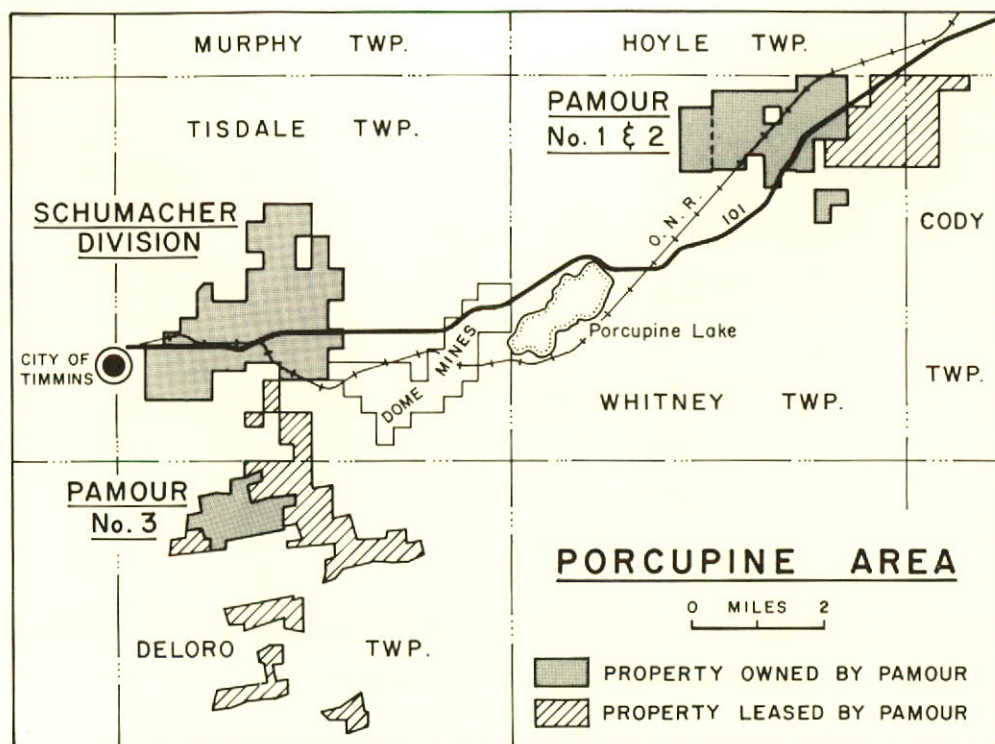
### 6. Change in Accounting Policy

During 1983, the company changed its accounting policy for exploration expenditures. Previously all exploration expenditures were charged against earnings as incurred. Commencing in 1983, certain expenditures meeting the criteria set out in note 1(e) were deferred. This accounting policy change has been applied prospectively because information on earlier years is not available. The change has increased 1983 net earnings by \$93,000.

### 7. Income Taxes

During 1982, the company incurred capital losses of approximately \$15,600,000, which losses were available to offset future capital gains. The future tax benefit relating to these losses was not recognized in the financial statements.

During 1983, the company recognized the benefit of certain of these losses as an extraordinary item by applying the losses against capital gains. At December 31, 1983, the company has approximately \$11,600,000 of capital losses remaining.

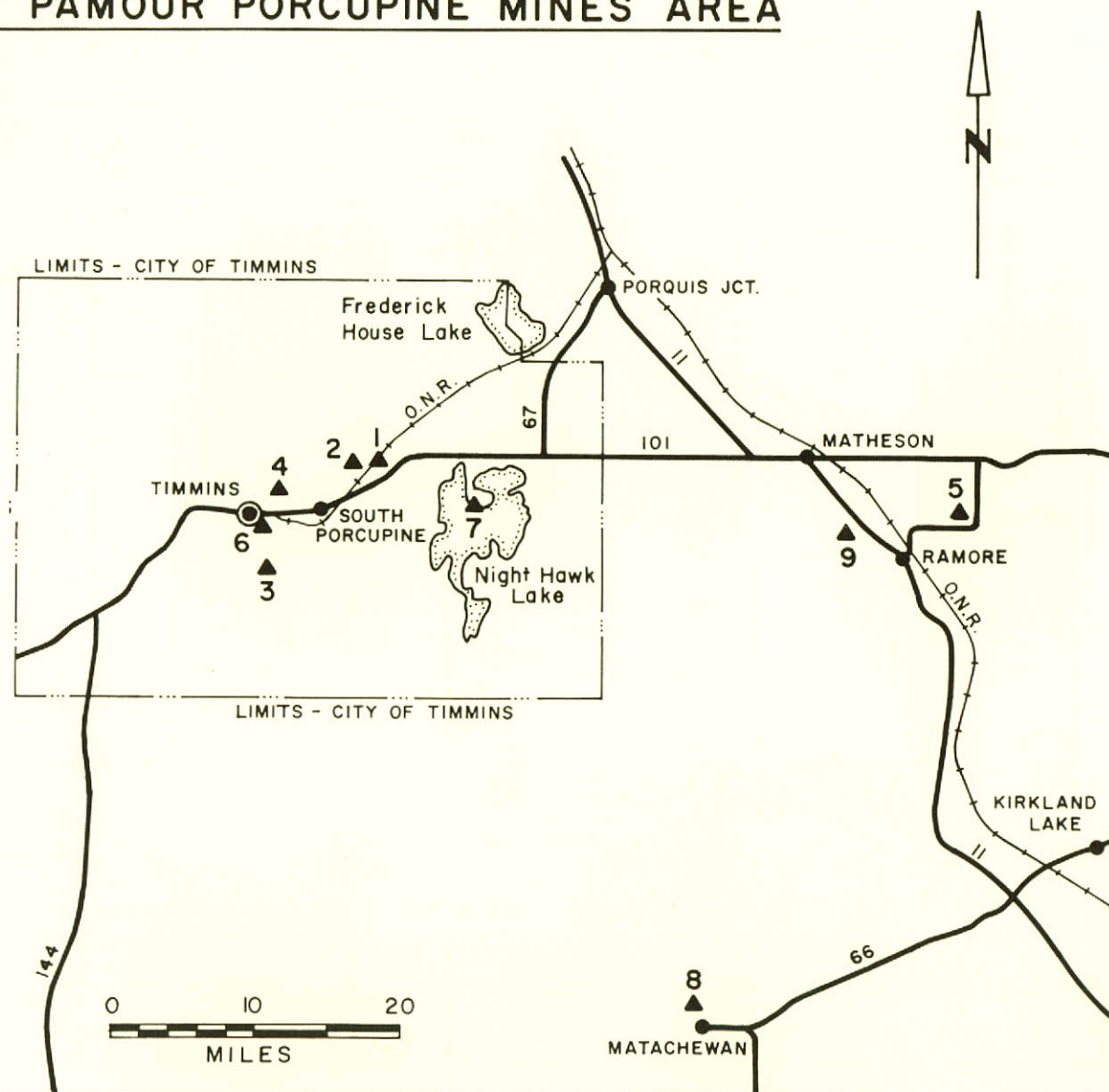




# MAP OF PAMOUR PORCUPINE MINES AREA

## LEGEND

1. PAMOUR No. 1 MINE & MILL
2. PAMOUR No. 2 MINE
3. PAMOUR No. 3 MINE
4. SCHUMACHER MINE & MILL
5. ROSS MINE
6. TIMMINS MINE
7. PENINSULAR & GOLD HAWK PROPERTIES
8. MATACHEWAN PROPERTIES
9. CANADIAN ARROW PROPERTY





# **PAMOUR PORCUPINE MINES, LIMITED**

P.O. Box 45, Commerce Court West  
Toronto, Ontario, Canada M5L 1B6

## **NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

TAKE NOTICE that the Fiftieth Annual Meeting of the Shareholders of PAMOUR PORCUPINE MINES, LIMITED will be held in the Alberta Room at the Royal York Hotel, in the City of Toronto, Ontario on Thursday, the 3rd day of May, 1984, at the hour of 12:30 p.m. (Toronto Time) for the following purposes:

- (i) to receive reports and financial statements,
- (ii) to elect directors,
- (iii) to appoint auditors and to authorize the directors to fix their remuneration and,
- (iv) to transact such other business as may properly come before the Meeting.

A copy of the Annual Report and the financial statements for the year ended December 31, 1983 to be submitted to the Meeting is forwarded herewith.

Shareholders who are unable to attend the meeting in person are requested to date, sign and return the enclosed form of proxy in the return envelope provided.

DATED this 21st day of March, 1984.

By Order of the Board,

W. M. O'HENLY,  
Secretary.





# PAMOUR PORCUPINE MINES, LIMITED

## INFORMATION CIRCULAR

This Information Circular accompanies the Notice of the Annual Meeting of the Shareholders of Pamour Porcupine Mines, Limited (the "Company") to be held on May 3rd, 1984, and is **furnished in connection with the solicitation by the management of the Company of proxies for use at such meeting**. Solicitation will be primarily by mail but proxies may also be solicited personally by regular employees of the Company. The costs of solicitation of proxies on behalf of the management will be borne by the Company.

### VOTING OF PROXIES

Shares represented by properly executed proxies in favour of the persons whose names are printed therein will be voted for or against or withheld from voting in accordance with the choice specified in the proxy but, if no choice is specified, such shares will be voted:

- (i) **for the election as directors of the Company of the persons listed below under the heading "Election of Directors";**
- (ii) **for the appointment of Coopers & Lybrand as auditors of the Company and authorizing the directors to fix their remuneration;**
- (iii) **for such action as the nominee thinks fit with respect to any other matter that may properly come before the meeting.**

A proxy in the form enclosed with the Notice of Meeting confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting or other matters which may properly come before the meeting.

A proxy in the form enclosed with the Notice of Meeting may be revoked by an instrument in writing, including another proxy, duly executed by or on behalf of the shareholder and deposited with the Company prior to the commencement of the meeting or with the chairman of the meeting.

### VOTING SHARES AND PRINCIPAL HOLDER

At the close of business on March 1, 1984, 7,006,424 common shares without nominal or par value were outstanding. Each share entitles the holder thereof to one vote at the meeting. Shareholders of record on May 3rd, 1984, the date of the meeting, are entitled to vote thereat.

The management of the Company understands that Noranda Mines Limited beneficially owns or exercises control or direction over 3,413,017 shares which represent approximately 48.7% of the voting shares of the Company.

### ELECTION OF DIRECTORS

It is proposed to nominate the persons listed below for election as directors of the Company to serve until the next Annual Meeting of the Shareholders of the Company or until their successors are duly elected or appointed, unless any such person is not available to act as a director in which event a substitute may be nominated.

Mr. A. G. Slade has held various positions in Falconbridge Nickel Mines Limited including, since 1980, Vice-President of Canadian Nickel and Copper Operations and President, Canadian Nickel Division as well as Chairman of the Board of Corporation Falconbridge Copper. Although Mr. Slade will be retiring from his positions with Falconbridge he will remain as a director of Corporation Falconbridge Copper.

Proposed Nominee	Principal Occupation	Director Since	Number of Shares owned of the Company
*P. R. Clarke Director	Company Director	1983	1
D. H. Ford Director	Senior Vice-President — Comptroller, Noranda Mines Limited	1983	1
*J. M. Gordon President and Director	Group Vice-President, Noranda Mines Limited	1980	1
*J. Conrad Lavigne Director	President, JCL Corporation Broadcast Consultant	1978	1,001
*The Right Honourable Roland Michener Director	Barrister	1962 to 1964 and since 1974	101
R. P. Riggin Director	Senior Vice-President — Corporate Relations, Noranda Mines Limited	1983	1
D. E. G. Schmitt Chairman and Director	Consultant — Mining Engineer	1965	4,512
A. G. Slade	Mining Engineer	—	—
J. C. White Director	Group Vice-President, Noranda Mines Limited	1980	51

\* Members of the Audit Committee.

The information as to shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective nominees individually.

## DIRECTORS' AND OFFICERS' REMUNERATION

	NATURE OF REMUNERATION EARNED FOR 1983		
	Directors' Fees	Salaries	Total
REMUNERATION OF DIRECTORS			
(A) Number of directors: 9			
(B) Body Corporate incurring the expense:			
Pamour Porcupine Mines, Limited .....	\$ 25,525	Nil	\$ 25,525
REMUNERATION OF OFFICERS			
(A) Number of officers: 7			
(B) Body Corporate incurring the expense:			
Pamour Porcupine Mines, Limited .....	Nil	Nil*	Nil*
TOTALS .....	\$ 25,525	Nil	\$ 25,525

\* With the exception of the General Manager, the Company does not pay its officers directly. Management functions, including head office and general administration services, are performed for the Company by Noranda Mines Limited for a fee. The fee for these services for 1983 was \$390,000.

Noranda Mines Limited also maintains directors' and officers' liability insurance, which coverage includes officers and directors of the Company as a company in the Noranda Group, at no additional charge to the Company.

Aggregate amount of all remuneration payments other than payments reported above proposed to be made in future by the Company to directors and to officers of the Company pursuant to existing arrangements .....\$ Nil.

The names and addresses of the insiders of Noranda Mines Limited are: Wm. Allan, 1500-1066 West Hastings Street, Vancouver, British Columbia; J. W. Bird, Box 1090, Fredericton, New Brunswick; J. L. Cockwell, Suite 4800, Commerce Court West, Toronto, Ontario; J. C. Dudley, 3701-521 Fifth Avenue, New York, N.Y., U.S.A.; J. T. Eyton, Q.C., Suite 4800, Commerce Court West, Toronto, Ontario; Brian Flemming, Q.C., 1583 Hollis Street, Halifax, Nova Scotia; Pierre Lamy, 1981 McGill College Ave., Montreal, Quebec; D. S. McGiverin, 35th Floor, 2 Bloor Street East, Toronto, Ontario; W. D. McKeough, P.O. Box 2001, Chatham, Ontario; Camille Marcoux, Suite 3500, 1155 Dorchester Boulevard West, Montreal, Quebec; P. M. Marshall, 255-5th Avenue South West, Calgary, Alberta; D. E. Mitchell, 639-5th Avenue South West, Calgary, Alberta; André Monast, Q.C., 1150 Claire-Fontaine Street, Quebec City, Quebec; Fernand Paré, 925 Chemin St. Louis, Quebec City, Quebec; Antoine Turmel, O.C.,



Suite 500, 800 Dorchester Boulevard West, Montreal, Quebec; H. R. Whittall, Suite 500, 1066 West Hastings Street, Vancouver, British Columbia; W. P. Wilder, P.O. Box 90, First Canadian Place, Toronto, Ontario; H. M. Wright, 1444 Alberni Street, Vancouver, British Columbia; A. G. Balogh, W. J. Barbour, B. C. Bone, R. L. Coleman, E. K. Cork, G. H. Corlett, D. H. Ford, J. M. Gordon, B. H. Grose, J. A. Hall, K. C. Hendrick, J. O. Hinds, F. X. Koch, T. E. Phelps, Alfred Powis, R. P. Riggan, Q.C., W. E. Stubbington, L. J. Taylor, H. V. Thomson, L. S. Tigert, J. C. White and A. H. Zimmerman, P.O. Box 45, Commerce Court West, Toronto, Ontario. The management of Noranda Mines Limited has advised the Company that at March 1, 1984, Brascade Resources Inc. owned 47,343,878 common shares (37.1%) of Noranda Mines Limited and Kerr Addison Mines Limited owned 13,273,981 common shares (10.4%) of Noranda Mines Limited.

#### **APPOINTMENT OF AUDITORS**

As indicated above, the persons whose names are printed in the form of proxy enclosed with the Notice of Meeting intend to vote for the reappointment of Coopers & Lybrand as auditors of the Company and to authorize the directors to fix their remuneration.

#### **OTHER BUSINESS**

The management of the Company is not aware of any matters to come before the meeting other than those referred to in the Notice of Meeting.

#### **DIRECTORS' APPROVAL**

The contents of this Information Circular and the sending thereof have been approved by the directors of the Company.

DATED this 21st day of March, 1984.

W. M. O'HENLY,  
Secretary.





