

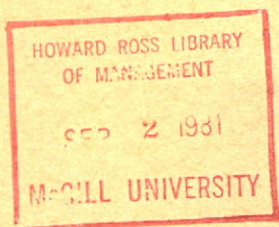
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THE LITTLE LONG LAC
GROUP OF COMPANIES
1980



**Little Long Lac
Gold Mines
Limited**

**president's report
and financial
statements.**



LITTLE LONG LAC GOLD MINES LIMITED

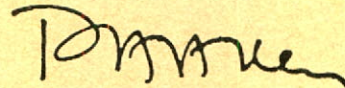
PRESIDENT'S REPORT

Net Income for 1980, before extraordinary items, totalled \$5,630,000 or \$1.74 per share compared to \$627,000 or 18 cents per share for 1979. After extraordinary items, which consists of Little Long Lac's equity interest in Willroy's write-down of its New Cinch Uranium investment, net income totalled \$1,406,000 or 43 cents per share compared to \$710,000 or 21 cents per share in 1979.

I would particularly like to draw to your attention to Note 2, "Investments", of the Notes to Financial Statements, where Associated Companies carried at \$11,694,000 on the books had a market value on December 31, 1980 of \$80,250,000.

March 18, 1981

On behalf of the Board of Directors



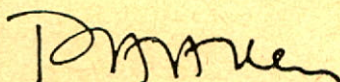
P. A. Allen
Chairman & President


LITTLE LONG LAC GOLD MINES LIMITED
(Incorporated under the laws of Ontario)

BALANCE SHEET AS AT DECEMBER 31, 1980

	ASSETS	<u>1980</u>	<u>1979</u>
CURRENT ASSETS			
Accounts receivable and accrued interest		\$ 8,166	\$ 2,110
Receivable from associated and affiliated companies		237,407	159,147
Prepaid expenses		<u>14,475</u>	<u> </u>
		<u>260,048</u>	<u>161,257</u>
INVESTMENTS (note 2)			
Associated companies (quoted market value 1980, \$80,250,000; 1979, \$14,958,000)		11,694,213	10,006,421
Other companies (quoted market value 1980, \$1,250,000; 1979, \$670,000)		<u>523,763</u>	<u>552,497</u>
		<u>12,217,976</u>	<u>10,558,918</u>
FIXED ASSETS (note 3)		<u>70,374</u>	<u>53,270</u>
OTHER ASSETS		<u>8,000</u>	<u>8,000</u>
		<u>\$12,556,398</u>	<u>\$10,781,445</u>
LIABILITIES			
CURRENT LIABILITIES			
Bank indebtedness, secured by investments		\$ 1,662,022	\$ 1,242,513
Accounts payable and accrued liabilities		84,421	47,876
Payable to associated companies		<u>2,824</u>	<u> </u>
		<u>1,749,267</u>	<u>1,290,389</u>
SHAREHOLDERS' EQUITY			
CAPITAL STOCK			
Authorized — 5,000,000 shares without par value			
Issued — 3,660,168 shares		6,084,615	6,084,615
CONTRIBUTED SURPLUS		11,896	11,896
RETAINED EARNINGS		<u>5,349,711</u>	<u>3,943,169</u>
		11,446,222	10,039,680
Less the company's pro rata interest (1980, 426,244 shares; 1979, 257,126 shares) in the cost of its own shares held by associated companies		<u>639,091</u>	<u>548,624</u>
		<u>10,807,131</u>	<u>9,491,056</u>
		<u>\$12,556,398</u>	<u>\$10,781,445</u>

Approved by the Board

 Director

 Director

LITTLE LONG LAC GOLD MINES LIMITED

**STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 1980**

	<u>1980</u>	<u>1979</u>
Revenue		
Investment income	\$ 22,628	\$ 29,952
Royalty income	47,048	44,451
Equity in earnings of associated companies	5,916,867	867,143
Gain on securities		155,209
	<u>5,986,543</u>	<u>1,096,755</u>
Expenses		
Administrative expenses	107,523	10,377
Interest	203,970	53,620
Depreciation	6,416	11,598
Mineral exploration	38,584	394,365
	<u>356,493</u>	<u>469,960</u>
Income before extraordinary items	<u>5,630,050</u>	<u>626,795</u>
Extraordinary items		
Gain on sale of mining interests	11,715	
Equity in extraordinary items of associated companies	<u>(4,235,223)</u>	<u>82,897</u>
	<u>4,223,508</u>	<u>82,897</u>
NET INCOME	<u><u>\$1,406,542</u></u>	<u><u>\$ 709,692</u></u>
EARNINGS (LOSS) PER SHARE		
Income before extraordinary items	\$1.74	\$.18
Extraordinary items	<u>(1.31)</u>	<u>.03</u>
Net income	<u>\$.43</u>	<u>\$.21</u>

**STATEMENT OF RETAINED EARNINGS
YEAR ENDED DECEMBER 31, 1980**

	<u>1980</u>	<u>1979</u>
RETAINED EARNINGS AT BEGINNING OF YEAR	\$3,943,169	\$3,233,477
Net income	<u>1,406,542</u>	<u>709,692</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$5,349,711</u></u>	<u><u>\$3,943,169</u></u>

LITTLE LONG LAC GOLD MINES LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 1980

	<u>1980</u>	<u>1979</u>
WORKING CAPITAL DERIVED FROM		
Proceeds on sale of mining interests	\$ 11,985	\$ 5,927
Proceeds on sale of investments	27,979	36,268
Reduction in advances to associated company	<u>303,972</u>	
	<u>343,936</u>	<u>42,195</u>
WORKING CAPITAL APPLIED TO		
Operations	307,043	387,369
Purchase of shares of associated companies	373,459	1,292,884
Expenditures on mining interests	23,521	20,401
Advances to associated company		<u>378,728</u>
	<u>704,023</u>	<u>2,079,382</u>
DECREASE IN WORKING CAPITAL POSITION	360,087	2,037,187
WORKING CAPITAL (DEFICIENCY) AT BEGINNING OF YEAR	<u>(1,129,132)</u>	<u>908,055</u>
WORKING CAPITAL DEFICIENCY AT END OF YEAR	<u>\$1,489,219</u>	<u>\$1,129,132</u>

LITTLE LONG LAC GOLD MINES LIMITED

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1980**

1. ACCOUNTING POLICIES

(a) Investments

(i) Associated companies

The company accounts for its investments in the following companies, over which it has significant influence but not majority ownership of their issued and outstanding share capital, on an equity basis:

	<u>Percentage ownership</u>	
	<u>1980</u>	<u>1979</u>
Lake Shore Mines, Limited	44.9%	44.6%
Long Lac Mineral Exploration Limited		
Resource activities	22.5%	22.5%
Investment activities	20.5%	20.5%
Mount Wright Iron Mines Company Limited	34.3%	34.3%
Great Whale Iron Mines Limited	25.0%	23.0%

The company's interest in the earnings of Long Lac Mineral Exploration Limited, "Lac Mineral", is divided into two separate percentages, 22.5% for earnings derived from resource related activities, as defined in the Class A share provisions and 20.5% for earnings derived from investment activities. The source of the earnings will determine the percentage to be applied in accounting for the interest in earnings of Lac Mineral.

The equity value of these associated companies is written down to net realizable value when any loss in value is deemed to be permanent in nature.

Two associated companies own shares of Little Long Lac Gold Mines Limited. These reciprocal shareholdings result in the company having an interest in its own shares. Therefore, the investment in other companies and shareholder's equity are reduced by the company's pro rata interest in the carrying value of such shares. In addition, equity in the earnings of the associated companies excludes the latter's share of earnings of Little Long Lac Gold Mines Limited.

(ii) Other companies

Investments in other companies are recorded at cost less an allowance for any permanent impairment in value.

(b) Fixed assets

Office equipment and leasehold improvements are carried at cost. Depreciation is provided on the straight-line basis at the following rates:

Office equipment	10%
Leasehold improvements	over the term of the lease

Mining properties are recorded at cost. When they are considered to be permanently uneconomic they are written off.

Upon disposition, the cost of the mining interests and any related accumulated depreciation to the date of disposal are removed from the accounts and any gain or loss is taken into income.

2. INVESTMENTS

Because of the number of shares involved, the amounts that would be realized if certain of these investments were sold may be more or less than their quoted market value.

3. FIXED ASSETS

	1980		1979
	Cost	Accumulated depreciation	Net book value
Office equipment and leasehold improvements	\$161,236	\$101,721	\$59,515
Mining properties	10,859		10,859
	<u>\$172,095</u>	<u>\$101,721</u>	<u>\$70,374</u>

Options to lease mining properties

- (a) The Algoma Steel Corporation Limited has a ninety-nine year lease on the company's property at Geraldton, Ontario. If the property comes into production, additional future royalty payments will be received as set out in the agreement.
- (b) On September 1, 1978 the company granted to another company a ten year option on its property in Preissac Township, Quebec for \$10,000. In addition, the property may be placed into commercial production by the optionee prior to expiry of the option by payment of \$15,000 and the granting of a royalty to the company.

4. INCOME TAXES

At December 31, 1980 exploration expenditures and capital cost yet to be deducted for tax purposes exceed by approximately \$222,000 the net book value of the related assets.

5. COMPARATIVE FIGURES

Certain of the 1979 comparative figures have been reclassified to conform with the financial statement presentation adopted in 1980.

AUDITOR'S REPORT

To the Shareholders of
Little Long Lac Gold Mines Limited

We have examined the balance sheet of Little Long Lac Gold Mines Limited as at December 31, 1980 and the statements of income, 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, 1980 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 on a basis consistent with that of the preceding year.

Toronto, Canada
February 9, 1981

Thorne Riddell

Chartered Accountants

Highlights—1980

- La Mine Doyon (50% Silverstack) comes into production in March 1980.
- Daily production rate at Mine de Bousquet rises to 1,000 tons per day.
- Decision made to build 1,000 metric ton per day mill at La Mine Doyon and to expand Est-Malartic mill.
- Lake Shore increases holdings of Willroy to over 50%.
- Significant quantity of anticipated 1981 gold production sold for future delivery at \$770 Canadian per ounce.

Annual Meetings

The annual meetings of the Group companies incorporated in Ontario will take place in Toronto at the York Room in the Royal York Hotel on Tuesday, May 19, 1981 and the Group companies incorporated in Quebec will hold their annual meetings in Montreal at the Oak Room in the Windsor Hotel on Thursday, May 14, 1981. Reference should be made to the particular proxy material of the company in which you hold shares in order to be certain of the exact time and place of each shareholders' meeting.

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The Little Long Lac Group of Companies

Report to Shareholders

The Little Long Lac Group of Companies is principally involved in gold mining and the exploration for minerals and for oil and gas. The mining operations are located in Canada and the oil and gas and mineral exploration is undertaken in Canada and the United States. This report is intended as a summary of the Group's activities and should be read together with the proxy material and Annual Financial Statements of each company in the Group.

The Little Long Lac Group of Companies includes Les Mines Est-Malartic Ltée, Lake Shore Mines, Limited, Little Long Lac Gold Mines Limited, Les Terrains Aurifères

Malartic (Québec) Limitée, Willroy Mines Limited, Wright-Hargreaves Mines, Limited, Long Lac Mineral Exploration Limited, Copper Giant Mining Corporation Ltd. (NPL), Silverstack Mines Ltd. (NPL) and Les Mines D'Or Thompson-Bousquet Ltée.

The section entitled Corporate Information in this report contains a chart which depicts in summary form the share control positions of the Little Long Lac Group.

Details of Long Lac Mineral's activities are found in this review later under the heading "Long Lac Mineral Exploration Limited".

1980 Review

In 1980, the Lac Group completed putting its second gold mine into production in two years, namely, the Silverstack-SOQUEM Mine Doyon which followed the Mine de Bousquet last year. Both of these properties required the concentrated skill and effort of a great many of our employees from the Exploration Group through to the Development Engineering and Production Groups. That these two mines were brought into production as planned is a considerable source of pride.

The year also saw volatile gold prices, dropping quickly from \$850 US to \$480 US by March, returning to \$710 US in September and steadily dropping again to \$590 US by year end and to \$460 US at time of writing. These fluctuations were largely shaped by monetary factors, especially interest rates and US dollar strength. At times, gold trading in North America and Canada reached very high volumes, indicative of the more widespread interest and liquidity in these markets. About mid-Fall 1980, management decided to sell 70% of its 1981 planned production. At March 1, 1981 this represented 133,311 ounces sold for future delivery at \$776 Cdn. per oz. and will allow the Group to recover a good profit on its development expenditures and operations as well as to budget with greater certainty the cash flow available for additional development and exploration.

Mineral exploration in 1980 totalled \$4.0 million compared with \$3.8 million in 1979, and was spent principally in British Columbia, Ontario, and northwest Quebec.

In 1980, the Group participated in drilling 70 oil and gas wells of which 35 are expected to have production of either oil or gas in 1981. Total expenditures in 1980 on these activities were \$16.4 million compared with \$7.6 million in 1979. Oil and gas revenues in 1980 were \$0.4 million compared with \$0.2 million in 1979.

Proven Oil and Gas Reserves	Net of the Group's Participation
Crude Oil and Natural Gas Liquids	304,844 barrels
Natural Gas	14.4 Billion cubic feet

Heavy development expenditures have always been carried out where desirable as an ongoing policy and these continued at our underground mines with the effect of substantially raising our reserves in 1980, especially at the Macassa and Thompson Bousquet mines.

The Lac Group management is committed to steadily improving our position in the North American mining industry. The principal objectives are directed to improving management, technical, operating and financial strengths as a diversified metals producer. Our fundamentally important exploration and development thrust has been gaining momentum for several years and will be receiving additional impetus in the next few years.

The 1980 Review that follows this report shows the increase in activity within the Group and the increased diversity in scope of those operations. The progress in

1980 represents the collective efforts of employees of differing skills and backgrounds working together towards a common purpose.

The 1980 statements, now reflect the additional consolidation of the financial statements of Willroy and Long Lac Mineral, with Lake Shore Mines as a result of Lake Shore now holding 50.01% of Willroy as at December 31, 1980.

Reference is made to page 20 to the Summary of Consolidated Statement of Income and Retained Earnings for details of the Lac Group of Companies financial reports for 1980. These figures represent the achievement of the 740 people who work for the Lac Group of Companies.

The outlook for 1981 is for a substantial increase in both revenues and profits.

Mineral and oil and gas exploration as well as mining development on new and existing properties will be at significantly higher levels and production from the principal mines should improve over 1980.

Little Long Lac Gold Mines Limited

Listed: T.S.E. (Trading Symbol: LAC)

Controlling company in the Little Long Lac Group through its interest in Lake Shore Mines, Limited. Active in exploration for gold, base metals, oil and gas exploration through Long Lac Mineral Exploration Limited, a private joint exploration company owned entirely by the Lac Group of Companies.

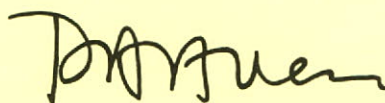
Net income for 1980, continued to increase and totalled \$1,406,000 or 43 cents per share, compared with \$710,000 or 21 cents per share in 1979.

The following is a condensed comparative income statement for the 1980 year:

STATEMENT OF INCOME (in thousands of dollars)	1980	1979
Revenues	5,987	1,097
Expenses	357	470
Income Before Extraordinary Items	5,630	627
Extraordinary Items	(4,224)	83
Net Income	1,406	710
Earnings Per Share	0.43	0.21

With a substantially improved financial performance and outlook, increased dividends were recently announced as follows: an initial dividend of \$1.00 per share of Silverstack payable on March 27, 1981 to shareholders of record on February 27, 1981. For Willroy, an annual dividend rate of 50 cents per share payable in semi-annual installments of 25 cents each and Thompson Bousquet, a third interim payment of 20 cents to bring the total payout since commencement of production to 40 cents per share.

On Behalf of the Board



Peter A. Allen
President

Toronto, Ontario
March 18, 1981.

Little Long Lac Gold Mines Limited now owns a 22.501% interest in the resource based activities of Long Lac Mineral Exploration Limited and a 20.497% interest in any remaining earnings of Long Lac Mineral.

Lake Shore Mines, Limited

Listed: T.S.E., M.S.E.,
(AMEX unlisted trading privileges)
(Trading Symbol: L.K.K.)

44.9% owned. (49.4% in Group). A former gold producer in the Kirkland Lake area, Ontario. Partner in oil and gas joint venture with Trend Resources; owns 37.74% interest in Wright-Hargreaves Mines, Limited, 77.2% interest in Les Terrains Aurifères Malartic (Québec) Limitée (N.P.L.), 50.01% in Willroy Mines Limited.

Active in exploration for gold, base metals, oil and gas through Long Lac Mineral Exploration Limited.

Consolidated net income for 1980, totalled \$1,648,000 or 37 cents per share which compares with \$1,496,000 or 29 cents per share in 1979. The income includes \$9,433,000 of extraordinary loss for 1980 compared to \$186,000 extraordinary gain for 1979. These consolidated results include Lake Shore's

interest in Les Terrains Aurifères Malartic (Québec) Limitée (N.P.L.), Willroy Mines Limited and Long Lac Mineral Exploration Limited.

The following is a condensed comparative consolidated income statement for the 1980 year:

CONSOLIDATED STATEMENT OF INCOME		
(in thousands of dollars)	1980	1979
Revenues	20,724	3,290
Expenses	5,356	2,006
Income Before Extraordinary Items	11,081	1,310
Extraordinary Items	(9,433)	186
Net Income	1,648	1,496
Earnings Per Share	0.37	0.29

The above consolidated statement of income reflects the acquisition by Lake Shore of a further 5,000 shares of Willroy Mines Limited between November and December of 1980. These additional purchases of shares raised the Lake Shore Mines' interest in Willroy Mines by 2% and permitted the consolidation of both Willroy's and Long Lac Mineral Exploration's consolidated statements with the financial statements of Lake Shore Mines, Limited.

Lake Shore owns directly 27.322% of the shares which participate in the Long Lac Mineral investment activities and 26.571% of the shares which participate in the Long Lac Mineral resource activities.

Mining

The Company is still investigating the methods by which its gold-bearing tailings at Kirkland Lake, Ontario can be reprocessed. There are an estimated 2,880,400 tons available for processing at an estimated grade of .072 ounces per ton. The pilot plant test, which took place in November, looks quite promising and has confirmed that recoveries are possible in the range of between 70% and 75%. Work on the feasibility study for reprocessing these tailings is continuing as rapidly as possible.

Oil and Gas

Lake Shore participates directly in oil and gas exploration in a joint venture with Trend Resources of Houston. Lake Shore's share of costs in the 1980 year were \$0.4 million and it participated in drilling 10 gross wells in Louisiana, Oklahoma and Texas. 5 of these were dry holes and 5 are in production or capable of production. In 1980 Lake Shore reached the limit of its ability to finance oil and gas exploration and permitted Willroy to farm-in for the remainder of the Trend program.

Based on work performed at the end of 1980, Lake Shore's net interests in proven oil and gas reserves are 108 million cubic feet of gas and 12,500 barrels of oil.

In addition to the wells described above, production is expected from other wells during 1981.

Les Terrains Aurifères Malartic (Québec) Limitée

(Libre de responsabilité personnelle)
(Formerly Malartic Gold Fields)
Custom Gold Milling
Listed: T.S.E. (Trading Symbol: TAQ)

Former gold producer in the Malartic area in Quebec, now engaged in custom milling operation under the direction of Len Perry. Active in exploration for gold, base metals, oil and gas through its interest in Long Lac Mineral Exploration Limited.

Consolidated net income for 1980, totalled \$2,523,000 or 56 cents per share which compares with \$550,000 or 12 cents per share in 1979. The income includes \$1,078,000 of extraordinary items for 1980. There was no extraordinary item in 1979.

The following is a condensed comparative consolidated income statement for the 1980 year:

CONSOLIDATED STATEMENT OF INCOME		
(in thousands of dollars)	1980	1979
Revenues	2,887	1,094
Expenses	470	544
Income Before Extraordinary Items	1,445	550
Extraordinary Items	1,078	—
Net Income	2,523	550
Earnings Per Share	0.56	0.12

The Company's custom mill near the town of Malartic, Quebec processes ore from Long Lac Mineral's Mine de Bousquet division at the rate of 1,100 tons per day. It is expected that the processing rate by mid 1981 will be 1,600 tons per day as a consequence of a rehabilitation program that was carried out in the year at a cost of \$1.7 million. Steps were taken in January of 1981 to increase the mining rate at the Mine de Bousquet to match this available capacity.

The Company receives a processing fee of 5% of the contained gold plus 50 cents per ton for ore processed from the Mine de Bousquet during the payback period.

Les Terrains Aurifères Malartic (Québec) Limitée now owns a 10.762% interest in the resource based activities and a 11.187% interest in any remaining earnings of Long Lac Mineral Exploration Limited.

Willroy Mines Limited

Gold Producer

Listed: T.S.E. (Trading Symbol: WRY)

Gold producer at Kirkland Lake, Ontario, limestone aggregate operation in Milton, Ontario. Active in oil and gas exploration in Canada and U.S. Active in exploration for gold, base metals, oil and gas exploration through its interests in Long Lac Mineral Exploration.

The following is a condensed comparative consolidated income statement for the 1980 year:

CONSOLIDATED STATEMENT OF INCOME		
(in thousands of dollars)	1980	1979
Revenues	35,639	20,087
Expenses	18,842	15,036
Income Before Extraordinary Items	7,985	2,946
Extraordinary Items	(20,508)	387
Net Income (loss)	(12,523)	3,333
Earnings (loss) Per Share	(1.59)	0.42

In March 1980, the Directors declared an annual dividend rate of 10 cents per share, payable on April 9th, 1980 to shareholders of record on March 26, 1980. In February 1981 the Directors declared an annual dividend rate of 50 cents per share payable in semi-annual installments of 25 cents each, the first payable on April 17 to shareholders of record on February 25, 1981.

Willroy Mines Limited now owns a 19.614% interest in the resource based activities of Long Lac Mineral and a 20.497% interest in any remaining earnings of Long Lac Mineral Exploration Limited.

Mining

Macassa

During 1980, the Macassa mine, managed by Don Bruce with Andy Kuchar as General Superintendent, processed 110,975 tons of ore to recover 50,000 ounces of gold. This compares with 105,510 tons of ore and 52,798 ounces of gold and 8,278 ounces of silver in 1979. In 1980, silver production was 7,586 ounces.

During the year, an average milling rate of 303 tons per calendar day was maintained. Lateral development work in the mine totalled 9,592 feet. A major rehabilitation program of the Macassa mill was essentially completed during the year.

Operating and production costs together with the average price per ounce of gold sold for 1980 and 1979 respectively were as follows:

	1980	1979
Operating Costs	\$12,707,000	\$9,568,000
Gross Revenue Per Ounce	\$572	\$288

During the last few years increased attention has been given to development work, resulting in increased reserves.

	Short Tons	Oz. Gold/ Ton
Proven Reserves, December 31, 1980		
Broken	19,454	0.457
In Place	536,695	0.482
Total	556,149	0.481
Probable	225,245	0.417
Proven Reserves, December 31, 1979		
Broken	7,565	0.519
In Place	357,440	0.574
Total	365,005	0.573
Probable	160,635	0.507

Manitouwadge Rehabilitation

The program to rehabilitate the old tailings at this property will be completed in 1981. The sale of milling assets continued with completion in 1981 expected.

Aggregates

Milton Aggregates, managed by Bill Griffiths, experienced a successful year in 1980 and entered 1981 optimistic about continued success of its quarry operation near Milton, Ontario.

Oil and Gas

Through joint ventures with Sunburst Resources and Citadel Resources, Willroy is involved in drilling programmes for oil and gas in Canada and the United States. In 1980, expenditures in this respect totalled \$10 million. In 1980 Willroy has participated in the drilling of 58 gross wells and 3.55 net wells and the acquisition of 496,000 net acres of land. 24 of the gross wells Willroy drilled were dry holes, 8 were oil wells, 21 were gas wells and 5 are in progress.

Based on work performed at the end of 1980, Willroy's net interest in proven crude oil, natural gas liquids and natural gas reserves is 228,300 barrels and 11.886 billion cubic feet respectively.

In 1981 Willroy expects to spend \$9.5 million on further oil and gas exploration in the United States, and is re-evaluating the Canadian exploration programmes but this level may be reduced sharply if Willroy's Canadian ownership rate cannot be satisfactorily established.

Subsequent Events

As previously reported, Willroy purchased since mid-November, 1980, on the basis of New Cinch Uranium Ltd.'s previously published drilling information, approximately 16% of the outstanding shares and 57% of the outstanding Series A Warrants of New Cinch, for a total purchase price of approximately \$25.7 million.

Willroy was permitted in early January to select, for further examination, core samples for which assay results had previously been published by New Cinch. Willroy's geologists selected 45 samples from 14 representative drill-holes. These samples were given to independent assayers for analysis.

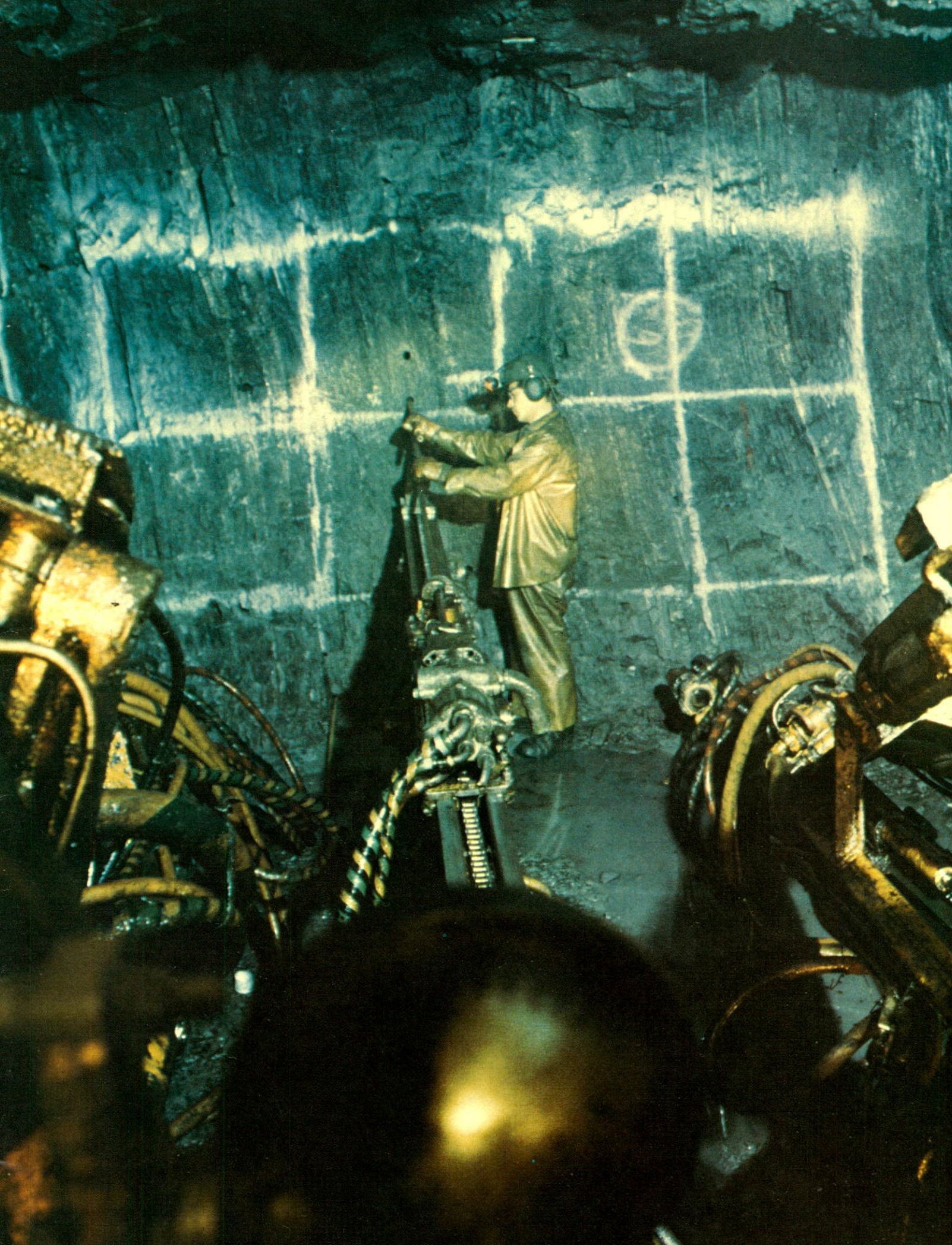
Late on January 13, Willroy received the results of the new assays. Of the 45 samples, 14 showed only traces of gold, 17 showed less than 0.001 ounces of gold per ton and the balance showed .014 ounces of gold per ton or less. By comparison, results previously published for the same samples ranged from .01 up to .3 ounces per ton. As to silver, of the 45 samples, 43 showed only traces and the remaining two showed .24 and 6.80 ounces of silver per ton. By comparison, results previously published for the 43 samples ranged from traces to 2.33 ounces per ton, and those for the remaining two samples showed .60 and 51.50 ounces, respectively.

Willroy provided these results to the management of New Cinch and made them available to regulatory authorities.

As a result of the findings of Willroy's geologist's, the shares and Series A Warrants of New Cinch acquired in November and December of 1980 were sold in January of 1981 for a loss of \$21,396,000. Reference is made to the Financial Statement of Willroy for details of the effect of these transactions on Willroy.

On February 13, Willroy commenced a law suit in the Supreme Court of Ontario for damages of \$21,396,000 plus interest on that amount, costs and such other relief as the court deems suitable against New Cinch Uranium Ltd., its officers and directors, Dickenson Mines Limited, Kam-Kotia Mines Limited, Albert W. Applegath, Robert Simon, Robert Haag and Triple S Development Company, Inc.

Willroy's preliminary budget estimates for 1981 indicate a before-tax net income from operations of approximately 23 million dollars or three dollars a share. This estimate is unaffected by the New Cinch Investment. It does not reflect equity in earnings of Long Lac Mineral Exploration Limited.



Wright-Hargreaves Mines, Limited

Listed: T.S.E., (Trading Symbol: WRT)
M.S.E., (AMEX) unlisted trading privileges)

Former gold producer Kirkland Lake, Ontario. Partner in oil and gas joint venture with Trend Resources; owns 18.48% of Willroy Mines Limited. Active in exploration for gold, base metals, oil and gas through its interests in Long Lac Mineral Exploration Limited.

Net income for 1980, totalled \$976,000 or 10 cents per share which compares with a net loss of \$159,000 or 2 cents per share in 1979.

The following is a condensed comparative income statement for the 1980 year:

STATEMENT OF INCOME (in thousands of dollars)	1980	1979
Revenues	1,155	507
Expenses	179	666
Net Income (loss)	976	(159)
Earnings (loss) Per Share	0.10	(0.02)

Wright-Hargreaves is involved with mining and oil and gas exploration.

Mining

The company with Lake Shore Mines, is investigating the methods by which its gold bearing tailings at Kirkland Lake, Ontario can be reprocessed. The indicated 644,200 tons of tailings available for processing has a grade of .069 ounces per ton. The pilot plant test which took place in November looks quite promising and has confirmed that recoveries are possible in the range of between 70% and 75%. Work on the feasibility study for reprocessing these tailings is continuing as rapidly as possible.

Oil and Gas

Wright-Hargreaves participates directly in oil and gas exploration in a joint venture with Trend Resources of Houston. Wright-Hargreaves' share of costs in the 1980 year were \$0.4 million and it participated in drilling 10 gross wells in Louisiana, Oklahoma and Texas. 5 of these were dry holes and 5 are in production or capable of production with a net position of 0.46 wells. In 1980 Wright-Hargreaves reached the limit of its ability to finance oil and gas explor-

ation and permitted Willroy to farm-in for the remainder of the Trend program.

Based on work performed at the end of 1980, Wright-Hargreaves' net interest in crude oil, natural gas liquids and natural gas reserves is 12,500 barrels of oil and 108 million cubic feet of gas respectively.

In addition to the wells described above, production is expected from other wells during 1981.

Mineral Exploration

Areas of particular interest in Quebec continue to be the Wright-Hargreaves Francoeur and Wasamac properties near Noranda, Quebec. Evaluation work is being undertaken by Long Lac Mineral Exploration on behalf of Wright-Hargreaves to determine the potential of these former producing properties.

Wright-Hargreaves Mines, Limited now owns a 10.276% interest in the resource based activities and a 10.248% interest in any remaining earnings of Long Lac Mineral Exploration Limited.

Les Mines Est-Malartic Ltée.

(Libre de responsabilité personnelle)
(Formerly East Malartic Mines)
Gold Producer and Custom Mill
Listed: T.S.E. & M.S.E. (Trading Symbol: LMT)

Two former gold producers in the Malartic area of Quebec, the main mine closed 1979. The Barnat Shaft will cease operation on May 16, 1981; it is expected that all mineable reserves at Barnat will be depleted by that time. The mine will be kept de-watered for a period of time following the closure.

Present operations consist of a custom milling operation processing ore from La Mine Doyon. Active in exploration for gold, base metals, oil and gas through its interest in Long Lac Mineral Exploration Limited. The mill Superintendent is Yvon Lamarche.

Net income for 1980, totalled \$1,226,000 or 30 cents per share compared with \$2,141,000 or 52 cents per share. Results reflect the significantly lower rate of production from the Barnat Shaft and related milling activity.

The following is a condensed comparative income statement for the 1980 year:

STATEMENT OF INCOME (in thousands of dollars)	1980	1979
Revenues	4,830	10,141
Expenses	3,385	7,862
Net Income	1,226	2,141
Earnings Per Share	0.30	0.52

Mining

The Barnat Shaft operation which was reopened in late 1979, shipped 42,280 tons of ore to the custom mill of Les Terrains Aurifères Malartic from which 4,555 ounces of gold were recovered in 1980 compared with 387,966 tons of ore and 32,681 ounces of gold in 1979. The Barnat operation will cease production in mid May 1981 when ore reserves will be exhausted at that time. There will be a stockpile of 110,000 tons, grading .07 oz. of gold per ton, available for milling.

A complete review of the ore potential of the Company's properties is continuing under the direction of Long Lac Mineral Exploration Limited.

Milling

The Est-Malartic mill was rehabilitated in late 1979 and 1980 and is currently processing 650 tons per day of ore from La Mine Doyon which is jointly owned by Silverstack Mines Ltd. and SOQUEM. Under its agreement Est-Malartic recovers its costs, receives a toll charge of \$1 per ton (\$1.10 per ton in 1981) of ore processed and had received \$400,000 from Silverstack and SOQUEM for rehabilitation work in the mill prior to the commencement of custom milling. The contract to custom mill the production by these companies expires in early 1982.

The Est-Malartic mill capacity is to be restored to 1,000 tons per day at a cost of \$1.2 million to be shared equally between Silverstack Mines Ltd. and SOQUEM. This work is expected to be completed in the first half of 1981.

Les Mines Est-Malartic Ltée. now owns a 10.276% interest in the resource based activities and a 10.248% interest in any remaining earnings of Long Lac Mineral Exploration Limited. These ownership percentages reflect the historic rate of contributions since inception in 1967.

Mount Wright Iron Mines Company Limited

34.35% is held by Little Long Lac Gold Mines Limited. Mount Wright owns six mining claims in the Mount Wright area of Quebec. The company commenced a legal action in 1978 against Cominco Limited claiming \$9.0 million with respect to Mount Wright's 1% interest in the Rubiales lead-zinc-silver mine in Spain which started production in 1977. Proceedings have reached the examinations for discovery stage.

Great Whale Iron Mines Limited

Owens 3 mining concessions containing 3 iron deposits with an estimated total of 942,000,000 tons of magnetite (iron ore) southeast of the Great Whale River and east of James Bay in Northern Quebec. Previous exploration, drilling and railway and other studies have been financed jointly by Little Long Lac, Wright-Hargreaves and Les Terrains Aurifères Malartic.

The Quebec Hydro is presently planning to develop infra structures in the area which will improve the accessibility of this deposit.

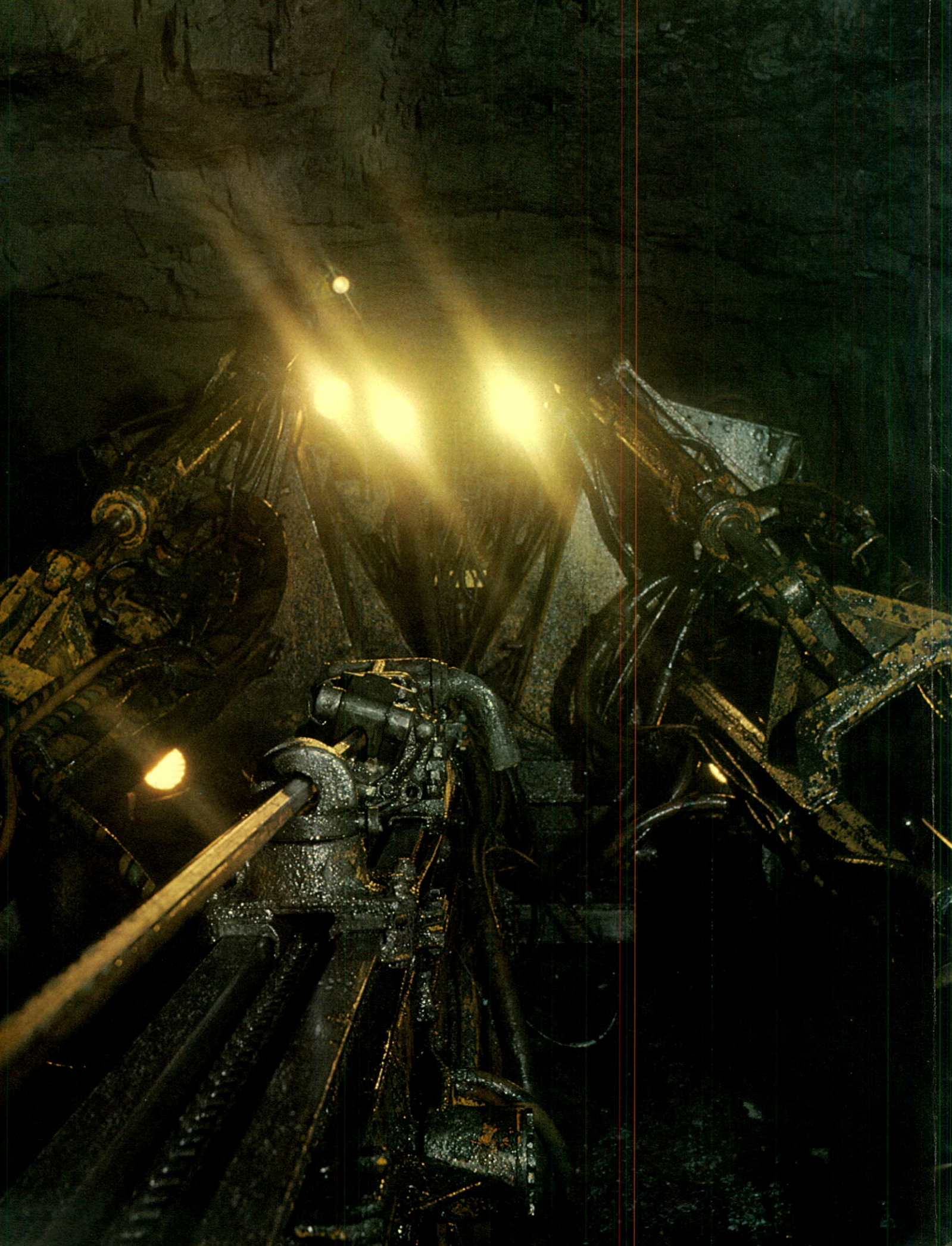
Long Lac Mineral Exploration Limited

Private Company, Exploration, Mining, Oil and Gas.

Little Long Lac Gold Mines Limited, Lake Shore Mines, Limited, Wright-Hargreaves Mines, Limited, Les Terrains Aurifères Malartic (Québec) Limitée, Willroy Mines Limited, Les Mines Est-Malartic Ltée., all members of Little Long Lac Group, own Long Lac Mineral Exploration Limited, a joint exploration company set up in 1967 to conduct mineral exploration and mining and oil and gas activities on behalf of the Group. Total expenditures since inception have amounted to \$35.3 million.

The shareholder companies have also contributed funds to Long Lac Mineral to permit it to acquire shares and investments in other companies. The interest of each shareholder in these share investments is proportionate to the percentage ownerships of shares now issued. The interest

Other Investment Positions of the Long Lac Group



of each shareholder in mineral resource activities is proportionate to its accumulated contributions to exploration and development expenditures.

As a result of successful operations, Long Lac Mineral has, since 1979, become self financing. In order to permit the shareholding companies to share in this success free of tax as intended, the contributions for exploration and development expenditures will be exchanged in 1981 for a new class of shares which participate only in the resource related activities. These new shares will be issued in accordance with the contributions made by each company since the inception of Long Lac Mineral.

It is intended that these percentage interests remain unchanged as long as Long Lac Mineral remains self financing.

In addition to its mineral and oil and gas exploration programs, which are discussed later, Long Lac Mineral Exploration Limited is the operator and owner of the Mine de Bousquet. It also operates La Mine Doyon, which is jointly owned by Silverstack Mines Ltd., itself a member of the Little Long Lac Group, which is owned 67.4% by Long Lac Mineral, and SOQUEM (Société Québécoise d'Exploration Minière).

Mining

The Mine de Bousquet started production in July 1979 and has increased its production rate to 1,100 tons per day. The ore is being treated at Les Terrains Aurifères Malartic (Québec) Limitée's custom milling plant 35 miles to the east at Malartic, Québec; the project Manager is Gerry Gauthier.

In 1980, 284,770 short tons of ore were milled to yield 57,054 ounces of gold with an average recovery of 95.2%. This compares with 120,509 tons of ore and 28,702 ounces of gold at a recovery of 94.9% in 1979.

Ore is currently being mined underground from the No. 3 zone which is reached by a 1,250 ft. shaft and a declined ramp system from surface. The No. 5 low grade zone is ready for production in 1981 using open-pit mining techniques. It is expected that the overall mining and milling rates will reach 1,600 tons per day in 1981.

Reserves, Mine de Bousquet

	December 31, 1980	
	Short Tons	Oz. Gold/Ton
Proven	1,446,664	0.167
Probable	1,197,596	0.107
Reserves,		
December 31, 1979		
Proven	954,861	0.169
Probable	559,545	0.200

Ore reserves include a 20% dilution allowance.

Exploration

In 1980, Group expenditures for mining exploration and development programmes totalled \$5.3 million. Of this, \$4.1 million was spent by Long Lac Mineral Exploration Limited. Active programmes are being carried out in the U.S.A. and Canada. The former Canadian Malartic property was acquired by staking in 1980 and further work on that property is continuing.

Mineral exploration is carried out under the direction of Dennis Sheehan, Vice President of Exploration, the activities in B.C. and Western Canada and the U.S. are under the Vancouver Office and the activities in Quebec are under the Malartic Office. Work was conducted on 3 properties in Western Canada, 6 properties in Ontario and 19 properties in North-western Quebec.

Lac Mineral controls the Poison Mountain property which is located 35 miles north of Lillooet in southern British Columbia. Lac Mineral has a 70% interest in the 180 claim property and Copper Giant Mining Corporation which is 56.98% owned by Long Lac Mineral, holds a 30% carried interest. The interest held by Lac Mineral is subject to a royalty of 5% of net profit payable to Homestake Mining Corporation.

During the 1980 field season, Long Lac Mineral Exploration Limited completed 15,276 metres of percussion drilling and 6,803 metres of NQ diamond drilling on the Poison Mountain property.

Manual ore reserve calculations give drill indicated reserves of 1,646,500 metric tons per vertical metre, with a grade of 0.27% Copper, 0.149 grams of Gold per metric ton and 0.007% Molybdenum using a 0.25% copper-equivalent cut-off based on the following metal prices:

Copper	\$ 1.00 Can.
Gold	\$550.00 Can.
Molybdenum	\$ 8.00 Can.

Included in the forementioned tonnage is a higher grade area of 721,200 metric tons per vertical metre with a grade of 0.30% Copper; 0.189 grams of Gold and 0.008% Molybdenum.

The deposit has been drilled to 100 metre depth with some diamond drill holes to a depth of 200 metres. There does not appear to be any change in grade of mineralization down to 200 metres. Mineralization is open to the south west and north west.

Independent computer studies of the drill indicated reserves are currently under way and should be available within the next six weeks. In addition, metallurgical and environmental studies have been in progress for the past nine months.

Oil and Gas

Long Lac Mineral Exploration has participated in the drilling of 23 gross wells of which 13 were dry holes, 1 additional well is being drilled. At the end of 1980, Lac Mineral had net interests of 1.15 oil wells and .86 gas wells in Canada and the U.S.

Exploration expenditures during 1980 amounted to \$4.7 million versus \$1.2 million in 1979.

Mining Projects

In 1980 a Mining Project group was established under the direction of Peter Mathias; a Plant Services and Construction group has been set up under the direction of Bryan Morrison. During 1980 Claude Mongeau was appointed Area Mine Geologist for northwestern Quebec and George Nemcsok became the Area Mine Geologist for Kirkland Lake.

Silverstack Mines Ltd.

(No Personal Liability)
(Mine Silverstack Ltée)

Listed: M.S.E. (Trading Symbol: SVR)
Open pit gold producer in Cadillac Township in the Province of Quebec.

Net income for 1980 was \$6,418,000 or \$1.12 per share. The company's most significant asset is its 50% interest in La Mine Doyon, which commenced operations in March, 1980.

La Mine Doyon, operated by Long Lac Mineral and which is jointly owned by SOQUEM, was officially opened in September of 1980. This open pit gold mine has operated successfully without any major problems. To date, 3,478,920 tons of material have been mined to obtain 477,752 tons of ore. Apart from low grade ore which is still being stockpiled, 379,730 tons have been treated to yield 70,124 ounces of gold. Silverstack's interest in this production is 35,062 ounces.

Approximately 750 tons per day are being shipped to nearby Noranda as siliceous smelter flux and approximately 650 tons per day are being custom milled at the Est-Malartic mill at Malartic, Quebec. Recoveries of gold and silver have remained above 93%.

In February the board of directors announced an initial dividend of \$1.00 a share payable on March 27, 1981 to shareholders of record on February 27, 1981.

The following is a condensed income statement for the 1980 year:

STATEMENT OF INCOME (in thousands of dollars)	1980
Revenues	18,669
Expenses	6,614
Net Income	6,418
Earnings Per Share	1.12

The Est-Malartic mill is to be restored to a capacity of 1,000 tons per day at a cost of \$1.2 million to be shared jointly by Silverstack and SOQUEM. Work is proceeding on time as planned and this expanded mill is expected to be in operation in the middle of 1981.

Plans for a mill on site at La Mine Doyon to process 1,000 metric tonnes per day are in progress. Engineering work is nearly completed and construction is expected to commence in April 1981. The construction time-table calls for a period of sixty-seven weeks until completion and, as a consequence, the mill is expected to be in operation in 1982. It is expected to cost about \$13 million.

The owners have approved a new \$1.8 million exploration program at La Mine Doyon to further extend that property's ore reserves.

Ore Reserves at La Mine Doyon
December 31, 1980

	Short Tons	Oz. Gold/ Ton
Open Pit Reserves (includes 10% dilution allowance)	2,661,000	0.185
Potential Underground Reserves (includes 20% dilution allowance)	1,598,000	0.165

On March 1st, 1981 Mr. Don Laronde was appointed Manager of La Mine Doyon to replace Bill Huston who supervised the commencement of operations under contract with the joint venture.

Silverstack has entered into a joint venture with Long Lac Mineral to carry on oil and gas exploration in Canada. \$1.5 million has been budgeted for exploration expenditures in 1981.

Les Mines D'Or Thompson-Bousquet Ltée

(Libre de responsabilité personnelle)

Unlisted Security (Traded on the Over the Counter Market in Montreal)

Net income for 1980 totalled \$779,000 or 37 cents per share, which compares with \$227,000 or 11 cents per share for 1979.

Income is derived principally from royalty payments received from Long Lac Mineral Exploration Limited as the operator of the Mine de Bousquet. This mine began commercial operation late in 1979.

In March 1980 an initial dividend of 5 cents per share was declared payable to shareholders. Further dividends of 15 cents and 20 cents per share were declared payable on May 30, 1980 and February 6, 1981 respectively.

Les Mines D'Or Thompson-Bousquet is entitled to a 40% interest in the net proceeds of the Mine de Bousquet property, once Long Lac Mineral and Les Terrains Aurifères have recovered development expenditures. Until these expenditures are fully recovered, Thompson Bousquet receives an advance royalty of 10%. It is expected that this advance royalty will end in the first quarter of 1981.

The following is a condensed comparative statement of income for the 1980 year.

STATEMENT OF INCOME (in thousands of dollars)	1980	1979
Revenues	1,235	294
Expenses	36	13
Net Income	779	227
Earnings Per Share	0.37	0.11

Copper Giant Mining Corporation

(Non-Personal Liability)

Porphyry Copper Prospect,

Listed: V.S.E. (Trading Symbol: CGN)

Owens a 30% carried interest in the Poison Mountain copper porphyry property in British Columbia and has a 10% limited partnership interest in Lode Star Gold Mines Ltd. in Arizona. Reference should be made to the heading "Exploration" on page 11 for further details of this project.

STATEMENT OF EXPLORATION AND ADMINISTRATIVE EXPENDITURES DEFERRED (in thousands of dollars)	1980	1979
Balance deferred at beginning of the year	207	212
Excess of investment and other income over expenditures for the year	8	5
Balance deferred at end of year	199	207

Lamage Limited

Secondary industry, manufacturing.

A 49% interest is held by Long Lac Mineral Exploration Limited.

Lamage is located in North Bay, Ontario and manufactures high quality diamond tools used in the mining and construction industries. The company has been devoting a great deal of effort and money towards improved product development and has experienced steady growth.

The maps which follow in this annual report indicate the diversity of the Group's activities and locate some of the properties referred to in this review. For the information of shareholders the section which follows briefly outlines some of the techniques used in gold mining and exploring for oil and gas. It is by no means all-embracing, but it does provide a brief summary to aid in understanding some of the complexities of these various processes.

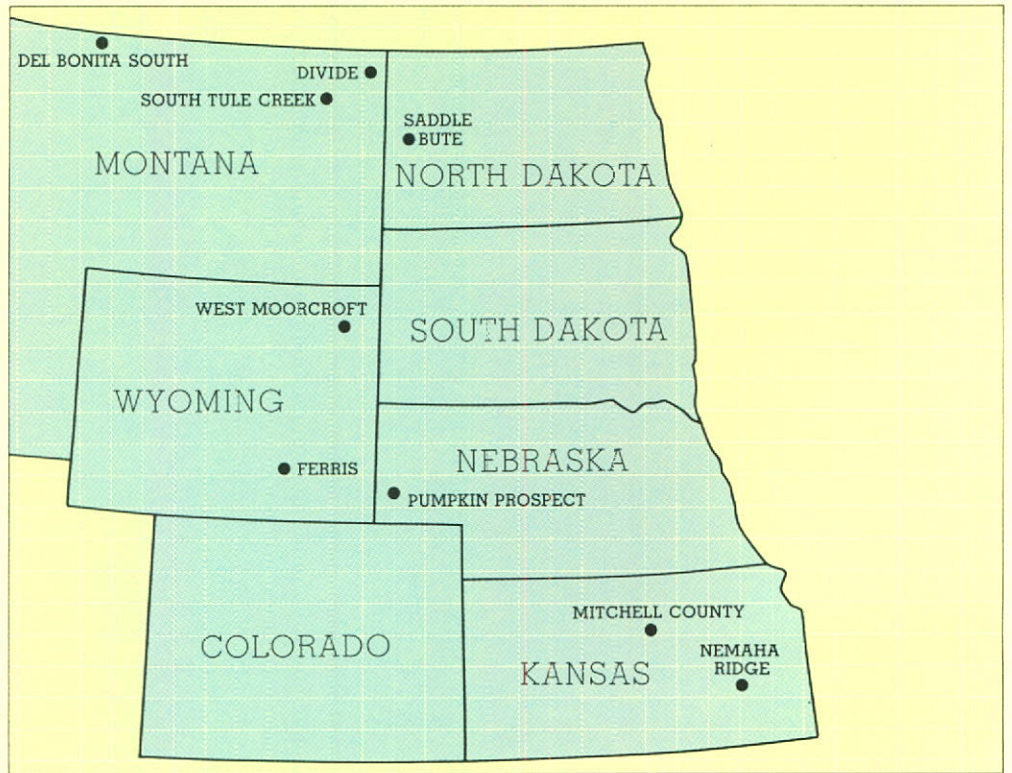
Western Canada Activity

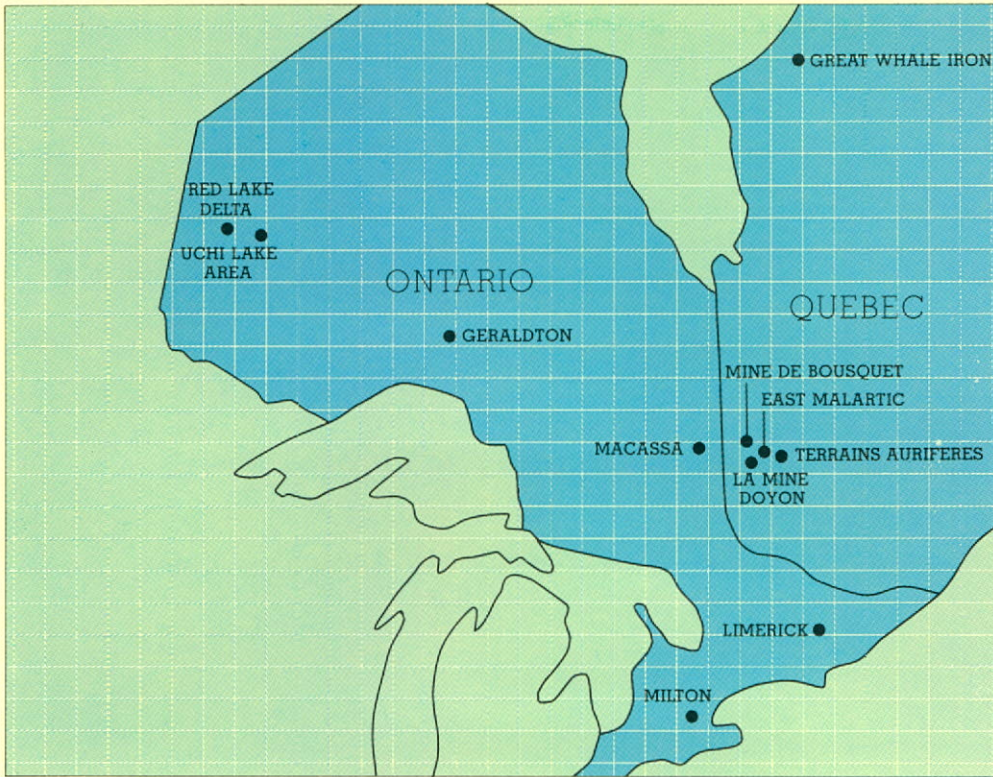
Oil and Gas



Western United States Activity

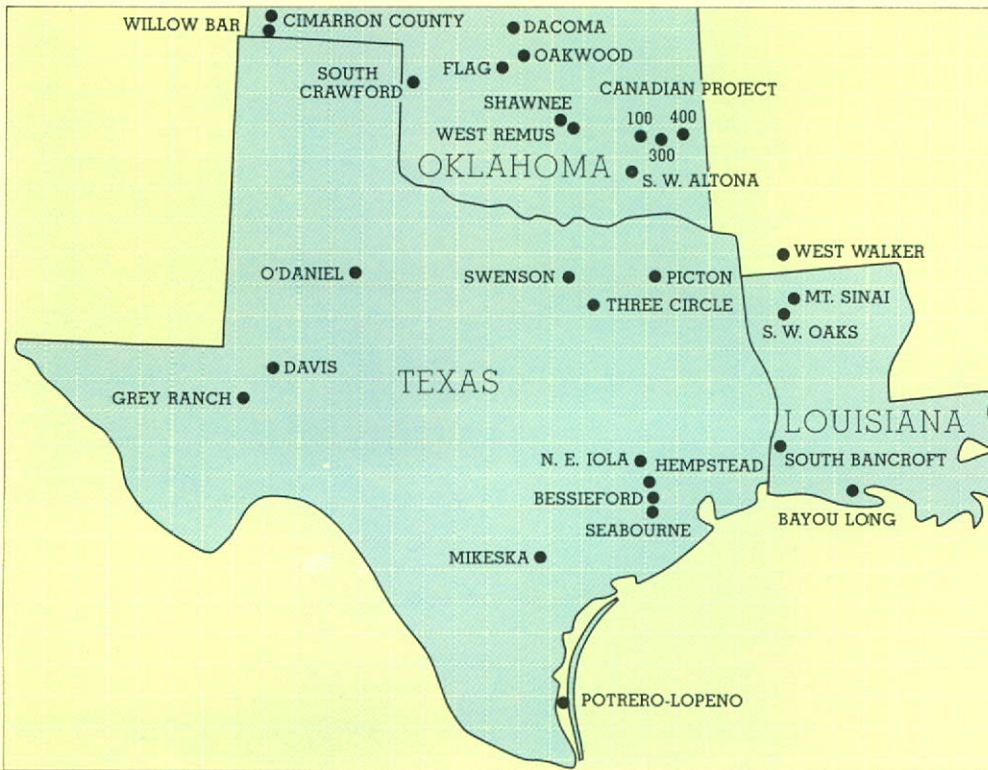
Oil and Gas





Central Canada Activity

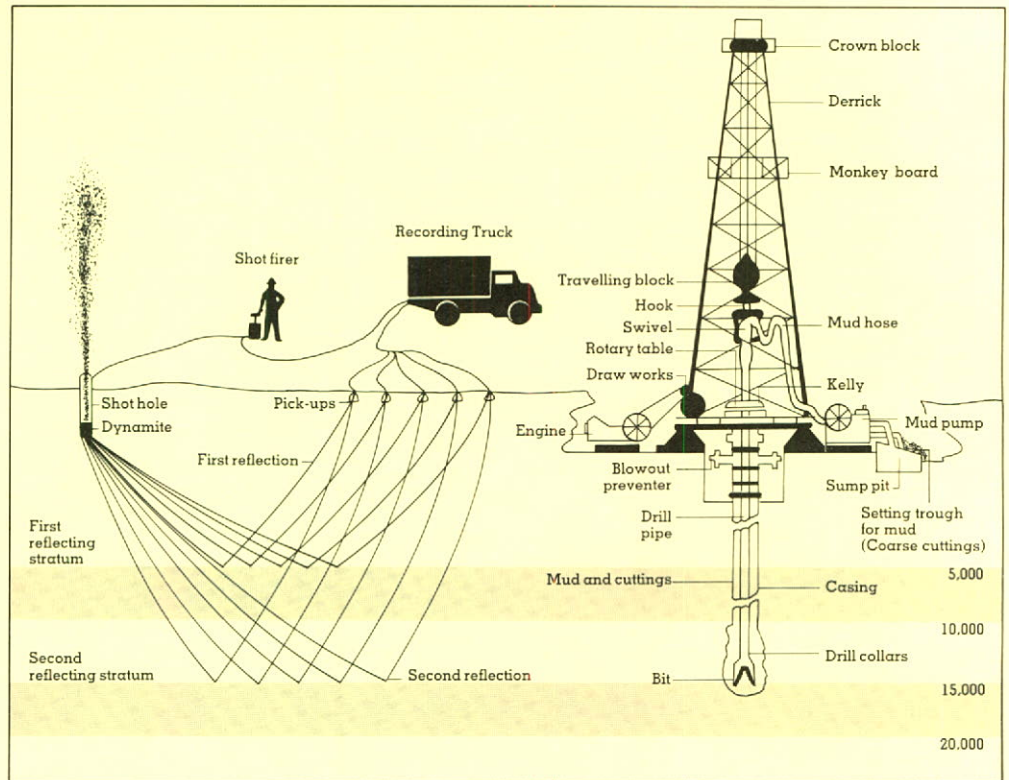
Mining and Exploration



Southern United States Activity

Oil and Gas

Oil and Gas Exploration



Oil and gas hydrocarbons are formed in sedimentary rocks over long periods of time. The oil and gas normally migrates through porous host rocks to become trapped in a natural reservoir formed by rock impervious to the oil and gas.

The inability to see underground is the principal difficulty in all mineral exploration. A common and reasonably accurate technique for finding formations which may contain oil and gas is called reflective seismography.

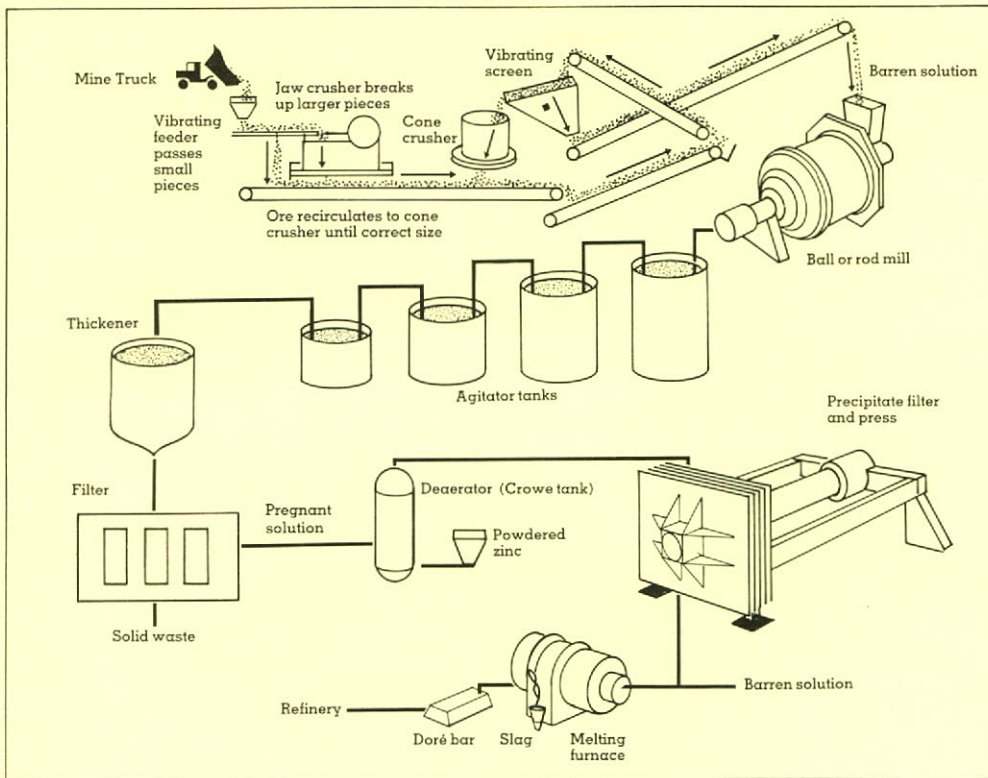
Controlled explosions or other methods transmit shock waves through the ground. Measurements of these waves are recorded by receivers placed at a distance from the shock source. The receivers produce values which may indicate differences in density of the earth materials through which the shock waves pass. By studying the densities recorded, it is possible to identify formations of rock which may be favourable reservoirs for oil or gas.

If geologists are satisfied with the geological and geophysical evidence that oil and gas might exist in a location, a well is drilled.

Drilling usually continues around the clock in eight-hour shifts. Casing is set to protect the hole and so that contamination of the water table does not occur.

When the target depth, or total depth of the well is reached, a variety of instruments are lowered to measure the characteristics of the formation. If the well is successful, the casing is perforated at the point in the formation where production is to be expected. Sometimes, some form of stimulation such as the addition of acid, must be used to enhance the production flow.

The Process of Gold Extraction



The Little Long Lac Group mines its gold bearing ore by using both underground and open-pit mining techniques. The Mine de Bousquet uses a technique known as sub-level caving, the Macassa mine uses cut and fill stoping and the Mine Doyon is an open-pit mine.

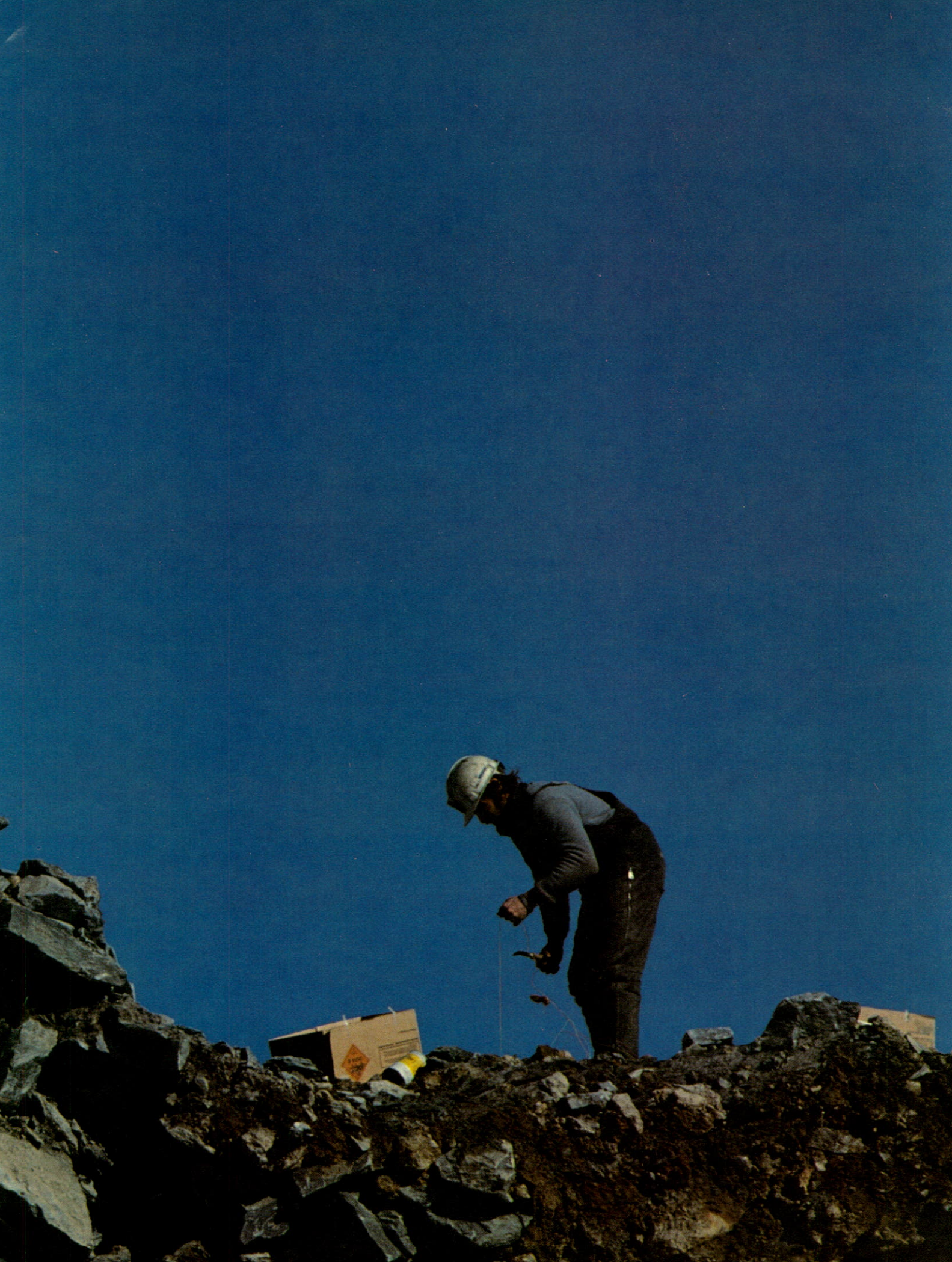
Gold has a very high density and can be dissolved by only certain chemicals. Cyanide in a weak solution is the chemical used. In most mills, recovery rates of 95% to 98% of the gold in the ore can be achieved using this solution. The ore is crushed to a fine "pulp" (the consistency of flour) and mixed with lime and cyanide to form a solution in tanks called agitators. The pulp is agitated mechanically with the addition of compressed air for as long as 72 hours depending on the nature of the ore.

To separate the pulp from the solution, large diameter tanks called "thickeners" are used to reduce the liquid content. The pulp is then filtered from the solution.

The gold bearing solution is collected and pumped through clarifiers. Zinc dust is added at this point which causes the gold, silver and other elements to precipitate out of the solution as a sludge. The sludge is removed in filter presses.

Doré (crude gold and silver bullion) is produced by smelting the precipitates in small furnaces to produce rough bars which are shipped to a precious metal refinery for processing into 99.99% gold and 99.9% silver bars for sale.





Summary of
Consolidated
Statements of
Income and
Retained Earnings

Year ended December 31, 1980

	Est- Malartic
Tons Milled	42,280
Production—Ounces	
Gold	4,555
Silver	674
Average Gold Price—Canadian Dollars	\$ 505
Revenues	
Production Revenue	\$ 2,494
Investment Income	1,591
Gain in Securities	284
Equity in Earnings of Associated Companies	461
	4,830
Expenses	
Production, Operating and Administrative	3,181
Mineral Exploration	
Oil and Gas Exploration	
Depreciation, Depletion and Amortization	203
Interest	
	3,384
Income Before the Undernoted Items	1,446
Interest of Les Terrains Aurifères Malartic (Québec) Limitée in Mine de Bousquet division	
Income Before Income and Resource Taxes, Minority Interest and Extraordinary Items	1,446
Income and Resource Taxes	220
Income Before Minority Interest and Extraordinary Items	1,226
Minority Interest	
Income Before Extraordinary Items	1,226
Extraordinary Items	
Net Income (Loss)	1,226
Retained Earnings (Deficit), Beginning	9,204
	10,430
Dividend Declared	
Retained Earnings (Deficit), End	\$ 10,430
Earnings (Loss) Per Share	
Income Before Extraordinary Items	\$ 0.30
Extraordinary Items	
Net Income (Loss)	\$ 0.30

Oil and Gas
Exploration
Statistical Data

Year ended December 31, 1980

	Lake Shore				Long Lac Mineral			
	This Year		Lifetime		This Year		Lifetime	
	Canada	U.S.A.	Canada	U.S.A.	Canada	U.S.A.	Canada	U.S.A.
Well completed								
Oil —Gross		3		4	2	2	2	2
—Net		0.12		0.18	0.83	0.42	0.83	0.42
Gas—Gross		2		2	5	1	7	1
—Net		0.15		0.15	0.73	0.13	1.05	0.13
Dry Holes								
—Gross		5		11	4	9	6	10
—Net		0.20		0.60	1.13	0.58	1.91	0.58
In Progress								
—Gross					1			
—Net					0.33			
Acreeage (000)								
—Gross		7.5		18.0	33.7	18.7	45.0	42.7
—Net		0.3		1.5	4.2	2.5	5.7	3.6

Lake Shore	Little Long Lac	Long Lac Mineral	Silverstack	Terrains Aurifères	Thompson Bousquet	Willroy	Wright-Hargreaves
		284,770	191,109			110,975	
		57,054	32,845			50,000	
		5,284	1,126			7,586	
		\$ 487	\$ 573			\$ 572	
(IN THOUSANDS OF DOLLARS)							
\$ 9,557	\$ 70	\$ 46,572	\$ 18,669	\$ 1,593	\$ 1,205	\$ 32,756	\$ 423
141		214		459	30	1,730	268
1,161				6		426	464
9,865	5,917	238		829		727	
20,724	5,987	47,024	18,669	2,887	1,235	35,639	1,155
3,606	108	21,075	5,626	88	36	15,505	154
	39	1,288					
309		843	21			2,220	25
1,129	6	4,175	967	31		887	
312	204	1,673		351		230	
5,356	357	29,054	6,614	470	36	18,842	179
15,368	5,630	17,970	12,055	2,417	1,199	16,797	976
		3,424					
15,368	5,630	14,546	12,055	2,417	1,199	16,797	976
3,285		7,006	5,637	972	420	8,812	
12,083	5,630	7,540	6,418	1,445	779	7,985	976
1,002		2,381					
11,081	5,630	5,159	6,418	1,445	779	7,985	976
(9,433)	(4,224)			1,078		(20,508)	
1,648	1,406	5,159	6,418	2,523	779	(12,523)	976
14,590	3,943	243	622	7,050	127	22,119	(1,210)
16,238	5,349	5,402	7,040	9,573	906	9,596	(234)
					423	787	
\$ 16,238	\$ 5,349	\$ 5,402	\$ 7,040	\$ 9,573	\$ 483	\$ 8,809	\$ (234)
\$ 2.47	\$ 1.74	\$ 9.46	\$ 1.12	\$ 0.43	\$ 0.37	\$ 1.01	\$ 0.10
(2.10)	(1.31)			0.13		(2.60)	
\$ 0.37	\$ 0.43	\$ 9.46	\$ 1.12	\$ 0.56	\$ 0.37	\$ (1.59)	\$ 0.10

Silverstack				Willroy-Citadel				Willroy-Sunburst				Wright-Hargreaves			
This Year		Lifetime		This Year		Lifetime		This Year		Lifetime		This Year		Lifetime	
Canada	U.S.A.	Canada	U.S.A.	Canada	U.S.A.	Canada	U.S.A.	Canada	U.S.A.	Canada	U.S.A.	Canada	U.S.A.	Canada	U.S.A.
1		1		2		2		1	5	8	11			3	4
0.12		0.12		0.13		0.13		0.25	0.46	1.11	1.05			0.12	0.18
1		1		2		2		7	12	19	22			2	2
0.28		0.28		0.37		0.37		0.58	1.76	1.75	3.77			0.15	0.15
				1		1		4	19	10	37			5	11
				0.33		0.33		0.60	2.01	1.36	5.23			0.20	0.60
				5		5									
				0.52		0.52									
3.5	3.5	99.2	99.2	17.4	28.8	42.0	197.1	7.5				7.5		18.0	
0.5	0.5	43.7	43.7	1.0	4.9	4.1	31.8	0.3				0.3		1.5	

Summary of Accounting Policies

The financial statements of the Little Long Lac Group of Companies have been prepared by management in accordance with accounting principles generally accepted in Canada. The Group is composed of the following: Copper Giant Mining Corporation Ltd. (NPL), Les Mines Est-Malartic Ltée. (Libre de responsabilité personnelle), Lake Shore Mines, Limited, Little Long Lac Gold Mines Limited, Les Terrains Aurifères Malartic (Quebec) Limitée (Libre de responsabilité personnelle), Long Lac Mineral Exploration Limited, Mount Wright Iron Mines Company Limited, Silverstack Mines Ltd. (NPL), Les Mines D'Or Thompson-Bousquet Ltée. (Libre de responsabilité personnelle), Willroy Mines Limited and Wright-Hargreaves Mines, Limited.

(a) Supplies and other assets

Supplies and other assets are valued at cost less amounts written off.

(b) Investments

(i) Associated company

Except for Lake Shore Mines, Limited, each company accounts for its investment in Long Lac Mineral Exploration Limited, over which it has significant influence but not majority ownership of the issued and outstanding share capital, on the equity basis.

Each company's percentage contribution for the acquisition of certain non-depreciable assets such as shares in other companies is based upon its percentage ownership of the issued and outstanding common shares. As participants in the mineral resource exploration, development and management program of Long Lac Mineral Exploration Limited, each company's percentage contributions thereto are reflected by Series A shares. Each company records its equity in the earnings of Long Lac Mineral Exploration Limited using these two percentages respectively.

(ii) Other companies

Investments in other companies are recorded at cost less an allowance for any permanent impairment in value.

(c) Mining interests

Buildings, machinery and equipment are stated at cost. Depreciation is provided over their estimated useful lives at varying rates.

Mineral properties are recorded at cost. When they are considered to be permanently uneconomic, they are written off.

Upon disposition the costs and any related accumulated depreciation to the date of disposal are removed from the accounts and the gain or loss is taken into income.

Repair and maintenance expenditures are charged to operations; major improvements or replacements are capitalized.

(d) Oil and gas interests

Each company involved in this activity follows the "successful efforts" method of accounting for its oil and gas interests. All costs of acquiring leases and rights, exploring for and developing oil and gas reserves thereon are capitalized by area of interest. Such costs include property acquisition costs, geological and geophysical expenses, carrying charges and drilling costs. When it is subsequently abandoned, all costs previously capitalized are charged to income. Depletion of costs accumulated on producing properties is provided using "the unit of production" method based on proven reserves of oil and gas as determined by the company's engineers.

(e) Income and resource taxes

Each company follows the tax allocation method of accounting whereby the provision for income and resource taxes is based on income reported in the accounts. This method results in the provision of deferred income and resource taxes to the extent that taxes currently payable have been reduced by claiming exploration, development, depreciation and depletion expenses for income and resource tax purposes in amounts determined by the company's engineers.

(f) Business segments

Each company's operations are in one or both of two principal segments, mining in Canada and oil and gas in Canada and the United States. The principal mining operations include gold and aggregates, and oil and gas operations include the production and sale of crude oil, natural gas and natural gas liquids.

(i) Bullion Sales are recorded when the Royal Canadian Mint completes delivery of the Group's refined gold to purchasers.

(ii) Earnings per share

Earnings per share are based on the weighted average number of shares outstanding during the year.

Operations

Companies engaged in gold production sell a portion of their gold production for future delivery at agreed prices. These contracts are not reflected in its accounts until the applicable delivery date.

Directors and Officers of Little Long Lac Group of Companies

Little Long Lac Gold Mines Limited

OFFICERS

P. A. Allen
President
E. (Ted) J. Wade
Vice-President, Engin. & Admin.
D. G. Sheehan
Vice-President, Exploration
I. T. H. Hamilton
*Corporate Secretary &
General Counsel*
H. E. Rutetzki
Vice-President, Operations
G. R. Dallaire
R. C. Francisco
Controllers

DIRECTORS

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J. C. L. Allen
I. T. H. Hamilton
R. P. Smith
R. C. Stanley, Jr.
C. W. Webster
D. C. Webster

Lake Shore Mines, Limited

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Vice-President, Operations
G. R. Dallaire
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Controllers

WILLROY MINES
(Milton Aggregates)
W. Griffiths
General Manager

WILLROY MINES
(Macassa Division)
D. Bruce
Manager

DIRECTORS

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J. W. Hogan
General Manager

LONG LAC MINERAL
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R. Doucet
Manager

LONG LAC MINERAL
(Petroleum Division)
W. H. Slaght
T. Davies
Managers

MINE DE BOUSQUET
G. Gauthier
Project Manager

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Silverstack Mines Ltd., (NPL)

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Don Laronde
Mine Manager

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Les Mines D'Or Thompson- Bousquet Ltée

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Les Terrains Aurifères Malartic (Québec) Limitée

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Wright-Hargreaves Mines, Limited

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Copper Giant Mining Corporation Ltd. (NPL)

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Controllers

DIRECTORS

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J. W. Hogan
D. G. Sheehan

Les Mines Est- Malartic Ltée.

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Vice-President, Exploration
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Vice-President, Operations
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*Corporate Secretary &
General Counsel*
G. R. Dallaire
R. C. Francisco
Controllers
P. Thomson
Manager

DIRECTORS

P. A. Allen
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Principal Companies and other Corporate Information

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Lake Shore Mines, Limited
Little Long Lac Gold Mines Limited
Long Lac Mineral Exploration Limited
Mount Wright Iron Mines Company Limited
Silverstack Mines Ltd.
Les Terrains Aurifères Malartic (Québec) Limitée
Les Mines D'Or Thompson-Bousquet Ltée
Willroy Mines Limited
Wright-Hargreaves Mines, Limited

DIVISION OFFICES

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