

# LORNEX

Annual  
Report  
1984



## The Corporation

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The Corporation produces copper and molybdenum in concentrates and silver as a by-product from its open pit mine and mill located in the Highland Valley area of British Columbia. It has a 39% joint venture interest in the Bullmoose metallurgical coal mine in northeastern British Columbia. Exploration is conducted primarily in western Canada.

### **The Annual General Meeting**

10:00 a.m., Thursday, April 18, 1985, in the Garibaldi Room, The Four Seasons Hotel, 791 West Georgia Street, Vancouver, B.C.

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*Cover:  
Large mining equipment is dwarfed by the immensity of the Lornex open pit mine.*

## Directors' Report to the Shareholders



*George R. Albino  
Chairman and  
Chief Executive Officer*

The Corporation incurred a net loss of \$3.3 million for the year (\$0.39 per common share), compared to net earnings of \$2.7 million (\$0.32 per common share) in 1983. The financial results include, on a proportionate consolidation basis, Lornex's 39% joint venture interest in the Bullmoose metallurgical coal mine. No dividends were paid in 1984 or 1983.

### **Earnings and Financial Position**

Net revenue from mine production was \$195.7 million in 1984 compared to \$148.5 million in the previous year. The increase is attributable to the addition of revenue from the Bullmoose mine which commenced operations January 1, 1984.

The deterioration in net earnings was mainly due to lower revenue from copper and silver because of substantially lower metal prices partly offset by net earnings of \$3.8 million from Bullmoose.

The Canadian dollar gross revenue price realized per payable pound of copper averaged \$0.79 in 1984 compared to \$0.90 in 1983 and molybdenum averaged \$4.40 per pound in 1984 compared to \$4.18 in the previous year. Silver averaged \$9.35 per ounce in 1984 and \$14.10 in 1983. The 1982 average prices were \$0.81 for copper, \$4.28 for molybdenum and \$8.74 for silver.

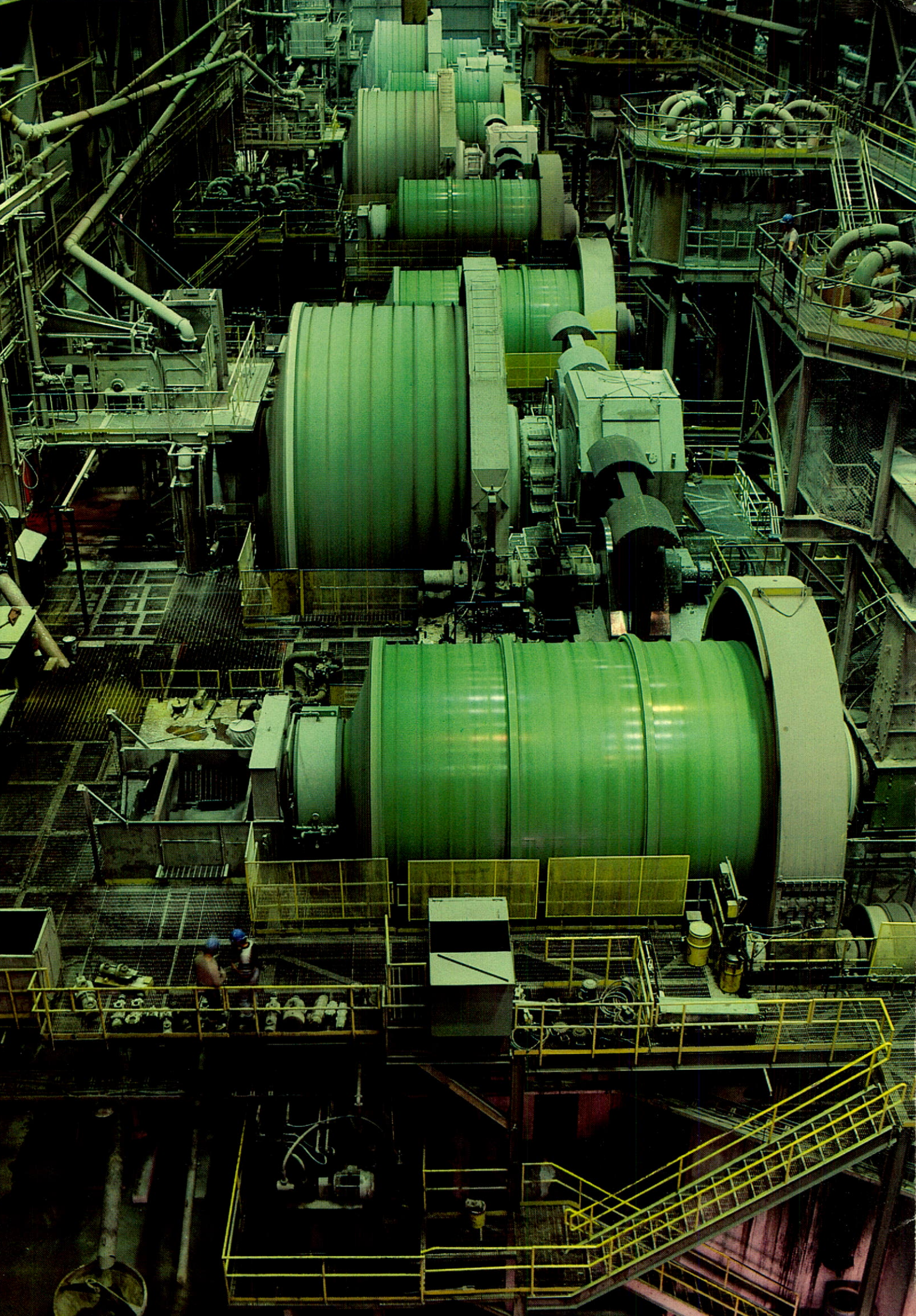
Working capital increased from \$36.7 million to \$52.3 million. Capital expenditures in 1984 were \$3.3 million compared to \$72.7 million in the previous year. Capital expenditures in 1983 were almost entirely for Bullmoose facilities. At the end of 1984 bank loans totalled \$111.8 million, of which \$106.3 million relates to Bullmoose, including \$65.0 million borrowed under the limited recourse loan agreement.

### **Lornex Mine**

Comparative operating data for the Lornex copper-molybdenum mine are as follows:

	1984	1983
Tons of ore milled (000's) . . . . .	<b>31,044</b>	31,710
Average tons milled per operating day . . . . .	<b>84,821</b>	86,877
Average mill head grade (%)		
— Copper . . . . .	<b>0.356</b>	0.337
— Molybdenum . . . . .	<b>0.017</b>	0.016
Average mill recovery (%)		
— Copper . . . . .	<b>87.3</b>	88.2
— Molybdenum . . . . .	<b>70.1</b>	73.5
Payable metal in concentrate produced (000's)		
— Copper (pounds) . . . . .	<b>186,210</b>	181,682
— Molybdenum (pounds) . . . . .	<b>7,448</b>	7,506
— Silver (ounces) . . . . .	<b>726</b>	710
Payable metal in concentrate delivered (000's)		
— Copper (pounds) . . . . .	<b>165,399</b>	186,031
— Molybdenum (pounds) . . . . .	<b>6,796</b>	6,103

Tons of ore milled were 2% lower than in 1983 because of the shut down of the largest of the three autogenous mills early in 1984 to change a ring gear. Copper production was, however, 2.5% higher in 1984 compared to the previous year due to a slight improvement in mill head grade. Production of molybdenum was virtually the same in both years.



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The ore and waste removed from the mine in 1984 totalled 86.4 million tons, an increase of 5% from the previous year. This increase was comprised of mostly waste material which had not been removed under the mining plan adopted in 1982.

Efforts to reduce costs and to improve efficiencies and productivity were continued in 1984. Important reductions in mining costs were realized through the installation of a new computer-assisted haulage truck dispatch system; modifications which increased diesel engine efficiency of a major portion of the 170-ton truck fleet; the conversion of light vehicles to utilize compressed natural gas in place of gasoline; as well as revisions in tailings dam construction methods and in the waste disposal system. The higher copper content in concentrates produced from the copper regrind circuit, brought into production in December 1983, resulted in expected net savings in freight and treatment charges. Modifications to the molybdenum leach facility increased productivity of that plant and installation of a new type of flotation equipment in the concentrator has reduced consumption of reagents.

Despite cost escalation in key areas the actions which have been taken have been effective. The unit cost to remove a ton of material from the mine decreased by 6% from the previous year. There was a small increase in the average operating cost per ton of ore milled in 1984, largely attributable to the lower volume of ore milled as a result of the ring gear change.

The work force at the mine was reduced from 941 employees at December 31, 1983 to 877 at the end of 1984. A new collective agreement was reached at mid-year with the Corporation's unionized employees which provides for the continuation of existing wage schedules to the expiry date of June 30, 1986. In view of continued depressed metal prices a proposal was made to the union to reduce wage rates; this proposal was not accepted.

The current safety program implemented in 1982 has achieved excellent results. As a result of the concerted efforts of all personnel the 1984 accident frequency rate decreased by 36% compared to the previous year.

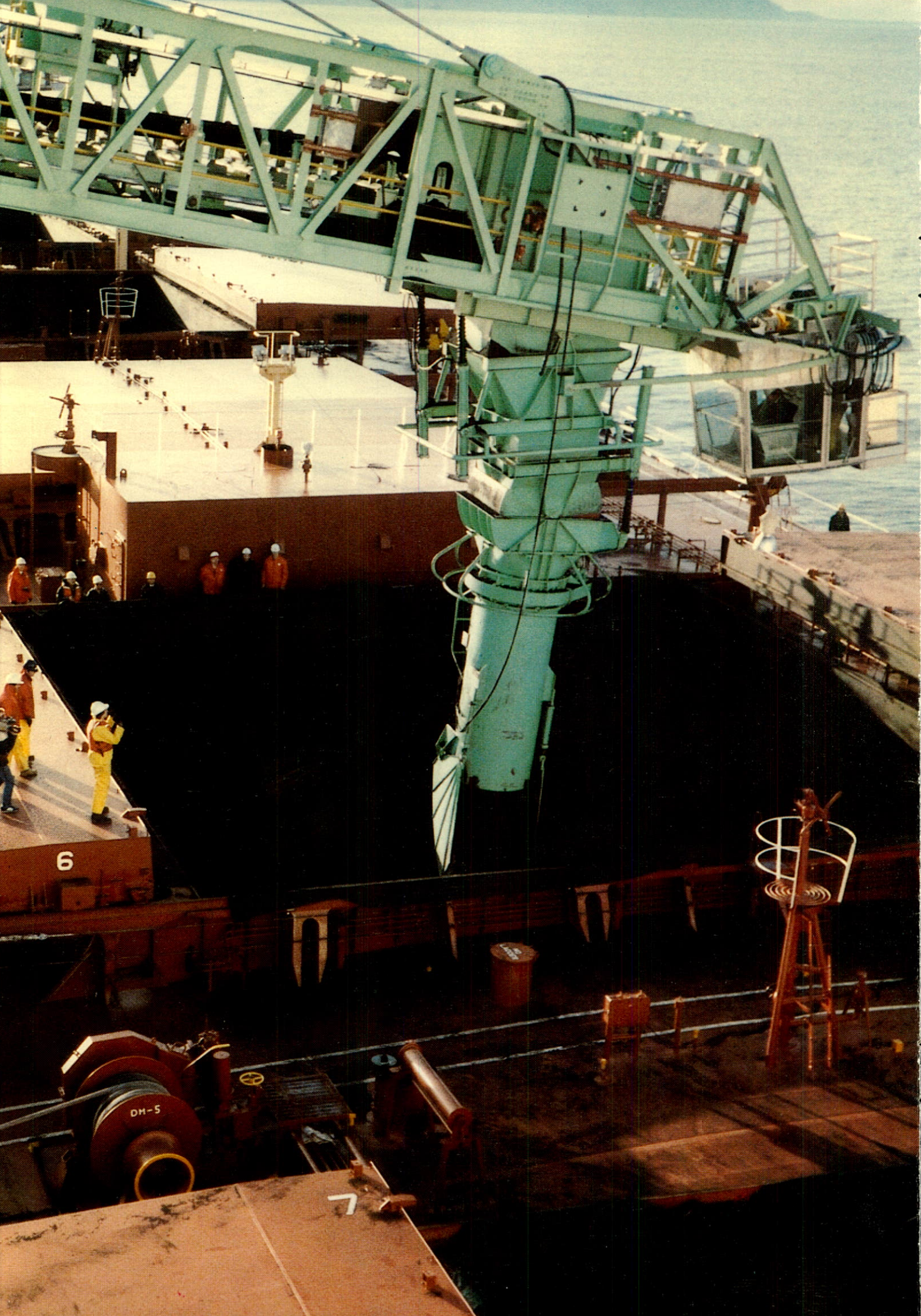
Proven ore reserves at December 31, 1984 are estimated to be 385 million tons with an average grade of 0.375% copper and 0.013% molybdenum.

Slightly more than one-half of the annual production of copper concentrates has been sold to a group of Japanese companies under a contract for delivery of a fixed quantity of concentrates per year until the end of 1989. A second sales contract provides for the delivery of a fixed quantity of concentrates per year until the end of 1985. To the extent that production exceeds deliveries under these contracts during 1985 it is expected that most of it will be sold for delivery in that year.

Portions of the molybdenum in concentrates scheduled to be produced in 1985 have been contracted for with buyers on pricing formulae related to published dealer prices for molybdc oxide. A larger portion of the 1985 production of molybdenum in concentrates will be converted to molybdc oxide under toll conversion agreements and the product sold to the steel industry through a sales agent.

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*Grinding section of Lornex mill where some 85,000 tons of ore per day are ground before further treatment to extract copper and molybdenum.*



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### **Bullmoose Mine**

The Bullmoose coal mine, owned by Lornex (39%), Teck Corporation (51%) and Nissho Iwai Coal Development (Canada) Ltd. (10%), commenced operations January 1, 1984 and, after an efficient start up, has operated well. Lornex's share of the year's production was approximately 666,000 tonnes (734,000 short tons) of metallurgical coal and 26,000 tonnes (29,000 short tons) of thermal coal and its share of deliveries totalled 695,000 tonnes of metallurgical coal and 23,000 tonnes of thermal coal. The operating cost per tonne of clean coal produced was slightly lower than expected.

In October the Bullmoose owners agreed to reduce the contract price for metallurgical coal by \$10 per tonne for a two year period ending March 31, 1986. Agreement was also reached for additional coal sales which will virtually offset the impact of the price reduction on the Bullmoose earnings.

### **Exploration**

A total of \$632,000 was expended on exploration during the year. Of some 90 mineral properties submitted to the Corporation for consideration more than half were precious metal targets in British Columbia and about one third were United States projects. Drilling was conducted on two British Columbia properties and additional work is planned on one of these in 1985.

Exploration activities will continue to be focused on gold and polymetallic deposits containing zinc, lead, copper, silver and gold. The strategy of attempting to acquire projects at an advanced exploration or development stage will be continued.

### **Outlook**

The profitability of Lornex will be dependent primarily on the price of copper, and to a lesser extent, on the prices for molybdenum and silver. All costs will continue to be closely monitored and every available measure will be taken to further reduce costs and to improve productivity.

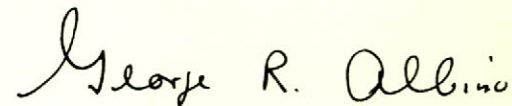
In 1984 the commencement of operations of the Bullmoose coal mine provided another source of earnings for Lornex. It is expected that it will continue to make a meaningful contribution to earnings in the future.

### **Appreciation**

Mr. John Van Netten, who has served as a Director of the Corporation since April 1977 and as Treasurer of the Corporation for fifteen years, retired on December 31, 1984. His colleagues wish to recognize his contribution to the Corporation.

The Directors wish to acknowledge with sincere appreciation the continued efforts and dedication of all Lornex people during another difficult year.

On behalf of the Board of Directors



George R. Albino,  
Chairman and  
Chief Executive Officer

Vancouver, B.C.  
February 20, 1985

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*First shipment of Bullmoose coal is loaded into the mammoth hold of the Shoryu Maru for delivery to Japan.*

The principal accounting policies followed by Lornex Mining Corporation Ltd. are in accordance with generally accepted accounting practice in the Canadian mining industry and are summarized hereunder.

### **Investment in Joint Venture**

The financial statements include the Corporation's proportionate 39% interest in the Bullmoose mine, an unincorporated joint venture.

### **Revenue from Mine Production and Valuation of Inventories and Concentrates Awaiting Shipment**

Production of copper, molybdenum and other metals in concentrates is valued and taken into income as revenue from mine production at estimated realizable metal prices less provision for possible fluctuation in price. Adjustments are made to revenue from mine production with respect to concentrate shipments when the actual metal price is known and the final weight and assay adjustments are determined.

Estimated smelting, refining and marketing charges are accrued at time of production and these charges are also adjusted with respect to shipments when the final weight and assay adjustments and marketing charges are determined.

At December 31, 1984 inventories of 33.8 million payable pounds of copper and 5.0 million payable pounds of molybdenum contained in concentrates awaiting shipment were valued as described above.

Coal inventories are valued at estimated realizable value.

### **Mine Supplies**

Mine supplies are valued at average cost.

### **Depreciation and Amortization**

Depreciation is provided on mining equipment on a straight-line basis over the shorter of its physical life or the estimated life of the mine. The cost of plant and equipment, mining properties and preproduction expenditures is amortized on a unit-of-production basis over the estimated life of the mine.

### **Capitalization of Interest**

The Corporation follows the policy of capitalizing net interest costs during construction or development only on those projects for which funds have been borrowed; this would normally apply only to such major new projects from beginning of construction or development up to the commencement of commercial operations. In these cases interest earned on borrowed funds during the development and construction period is applied against the interest expense to reduce the amount of interest costs capitalized. Such net interest costs are capitalized because it is considered that they would not have been incurred if the project had not been undertaken and therefore are properly part of the capital cost of the total project.

### **Mineral Exploration and Development Costs**

Exploration costs are written off as incurred.

Expenditures on development projects are capitalized while the projects are considered to be of value to the Corporation.

### **Income and Mining Taxes**

The Corporation provides for deferred income and mining taxes on all significant timing differences which represent the tax effects of revenue and expense items reported for tax purposes in periods different than for accounting purposes. Investment tax credits claimed for federal income tax purposes are treated as an adjustment of the current year's income tax provision.



# Statement of Earnings and Retained Earnings

(Thousands of dollars)

Lornex Mining Corporation Ltd.  
(Incorporated under  
the laws of British Columbia)

Year Ended December 31

1984

1983

## Revenue:

Net revenue from mine production .....	\$195,725	\$148,506
Investment and other income .....	1,423	1,223
	<u>197,148</u>	<u>149,729</u>

## Expenses:

Operating costs .....	149,086	111,391
Administrative and general .....	14,809	10,590
Amortization and depreciation .....	25,596	20,533
Exploration .....	632	435
Interest on long term debt .....	13,919	502
	<u>204,042</u>	<u>143,451</u>

Earnings (loss) before taxes .....	(6,894)	6,278
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## Income and mining taxes (note 7):

Current .....	(2,590)	2,700
Deferred .....	(1,040)	895
	<u>(3,630)</u>	<u>3,595</u>

<b>Net earnings (loss) for the year</b> .....	<b>(3,264)</b>	<b>2,683</b>
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Retained earnings, beginning of year .....	161,697	159,014
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<b>Retained earnings, end of year</b> .....	<b>\$158,433</b>	<b>\$161,697</b>
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<b>Net earnings (loss) per share</b> .....	<b>\$ (0.39)</b>	<b>\$ 0.32</b>
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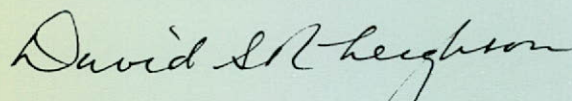
# Balance Sheet

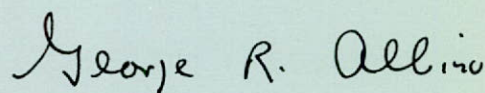
(Thousands of dollars)

Lornex Mining Corporation Ltd.

December 31	1984	1983
<b>Assets</b>		
<b>Current:</b>		
Cash and short term deposits .....	\$ 12,189	\$ 22,318
Receivables and prepaid expenses .....	10,553	5,373
Income and mining taxes recoverable .....	7,430	—
Inventories and concentrates awaiting shipment .....	40,797	29,898
Mine supplies .....	17,570	16,268
	<hr/>	<hr/>
	88,539	73,857
<b>Plant and equipment (note 2) .....</b>	<b>246,515</b>	<b>200,420</b>
<b>Mining properties and preproduction expenditures (note 3) .....</b>	<b>73,133</b>	<b>37,606</b>
<b>Construction in progress, at cost .....</b>	<b>—</b>	<b>103,902</b>
<b>Deposits and long term receivables, at cost .....</b>	<b>4,070</b>	<b>4,171</b>
	<hr/>	<hr/>
	\$412,257	\$419,956
<b>Liabilities</b>		
<b>Current:</b>		
Bank loans .....	\$ 5,500	\$ —
Accounts payable and accrued liabilities .....	28,136	28,703
Income and mining taxes .....	—	8,405
Current portion of Bullmoose bank loans (note 4) .....	2,613	—
	<hr/>	<hr/>
	36,249	37,108
<b>Bullmoose bank loans (note 4) .....</b>	<b>103,689</b>	<b>106,302</b>
<b>Housing loans (interest 8¾% to 13%) .....</b>	<b>2,925</b>	<b>2,848</b>
<b>Deferred income and mining taxes .....</b>	<b>99,375</b>	<b>100,415</b>
	<hr/>	<hr/>
	242,238	246,673
<b>Shareholders' Equity</b>		
<b>Capital Stock (note 5):</b>		
Authorized —		
9,500,000 common shares, par value of \$1 each		
4,500,000 Class A shares, par value of \$1 each		
Issued —		
8,268,762 common shares .....	8,269	8,269
<b>Premium less discount on shares issued for cash .....</b>	<b>3,317</b>	<b>3,317</b>
<b>Retained earnings .....</b>	<b>158,433</b>	<b>161,697</b>
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	170,019	173,283
	<hr/>	<hr/>
	\$412,257	\$419,956

Approved on behalf of the Board:

  
David S. R. Leighton, Director

  
George R. Albino, Director

# Statement of Changes in Financial Position

Lornex Mining Corporation Ltd.

(Thousands of dollars)

Year Ended December 31

1984

1983

## Source of Funds:

### Operations

Net earnings (loss) for the year .....	\$ (3,264)	\$ 2,683
Add charges against earnings not involving current outlay of funds:		
Amortization and depreciation .....	25,596	20,533
Deferred income and mining taxes .....	(1,040)	895
Total funds from operations .....	21,292	24,111
Bullmoose bank loans .....	—	71,502
Housing loans .....	77	1,887
Reduction in deposits and long term receivables (net) .....	101	952
	<u>21,470</u>	<u>98,452</u>

## Disposition of Funds:

Plant and equipment (net) .....	3,316	3,563
Construction in progress .....	—	69,097
Current portion of Bullmoose bank loans .....	2,613	—
	<u>5,929</u>	<u>72,660</u>
Increase in Working Capital .....	15,541	25,792
Working Capital, beginning of year .....	36,749	10,957
Working Capital, end of year .....	\$ 52,290	\$ 36,749

## Auditors' Report to the Shareholders

We have examined the balance sheet of Lornex Mining Corporation Ltd. as at December 31, 1984, 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 Corporation as at December 31, 1984 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.

*Coopers & Lybrand*

Chartered Accountants

Vancouver, British Columbia  
January 25, 1985.

# Notes to the Financial Statements

Lornex Mining Corporation Ltd.

December 31, 1984

## 1 Accounting Policies

The information on page 6 presents a summary of the principal accounting policies and is an integral part of these financial statements.

## 2 Plant and Equipment

	1984	1983
	(in thousands)	
Plant and equipment, at cost . . . . .	\$365,531	\$298,700
Less accumulated depreciation . .	119,016	98,280
Total . . . . .	\$246,515	\$200,420

## 3 Mining Properties and Preproduction Expenditures

	1984	1983
	(in thousands)	
Mining properties, at cost . . . . .	\$ 1,233	\$ 1,233
Less accumulated amortization . .	542	495
	691	738
Preproduction expenditures, at cost . . . . .	97,726	57,852
Less accumulated amortization . .	25,284	20,984
	72,442	36,868
Total . . . . .	\$ 73,133	\$ 37,606

## 4 Bullmoose Bank Loans

	1984	1983
	(in thousands)	
Recourse loans . . . . .	\$ 41,302	\$ 41,302
Less portion included in current liabilities . . . . .	663	—
	40,639	41,302
Limited recourse loans . . . . .	65,000	65,000
Less portion included in current liabilities . . . . .	1,950	—
	63,050	65,000
	\$103,689	\$106,302

The loans are repayable in increasing semi-annual instalments commencing July, 1985 and continuing through July, 1992 on the recourse loans and January, 1995 on the limited recourse loans. Minimum loan repayments scheduled over the next five years are \$2,613,000 in 1985, \$6,552,000 in 1986, \$9,522,500 in 1987, \$8,846,500 in 1988 and \$10,491,000 in 1989. The limited recourse and recourse loans are secured by a first charge on the Corporation's 39% interest in the assets of the Bullmoose mine.

Both loans are available at variable interest rates by way of Canadian and/or U.S. dollar loans and bankers' acceptances. The average interest rates at December 31, 1984 were 11.4% on the limited recourse loans and 10.9% on the recourse loans.

## 5 Capital Stock

At December 31, 1984, 30,000 common shares were reserved for issue under a Stock Option Plan for which no exercisable options are outstanding.

## 6 Commitments and Contingent Liabilities

(a) As provided for in certain agreements and contracts, the Corporation has assumed minimum annual operating and payment commitments for port, rail and hydro facilities to the extent of its 39% interest in the Bullmoose mine.

Loan guarantees, secured by a \$13 million debenture, have been provided to the District of Tumbler Ridge by the co-owners of the Bullmoose mine. The debenture is secured by a subordinated floating charge on the assets of the mine. The Corporation's obligations under the debenture are limited to its 39% interest in the Bullmoose mine.

(b) The Corporation has a contingent liability to buy back houses and mobile home lots at the Logan Lake townsite for \$2,060,000 as at December 31, 1984; the cost of the buyback declines by 5% per annum.

(c) The Corporation has guaranteed mortgages, amounting to \$4,892,893 at December 31, 1984, on certain housing in Logan Lake.

## 7 Income Taxes

(a) A reconciliation of the 1984 statutory income tax rate and the effective rate of income and mining taxes is as follows:

Statutory income tax rate . . . . .	52.0%
Increase (decrease) resulting from:	
Provincial resource taxes and royalty net of resource and depletion allowances . . . . .	4.6
Inventory allowance . . . . .	5.2
Non-allowable expenses* . . . . .	(9.1)
Effective rate of income and mining taxes . . . . .	52.7%

\* Non-allowable expenses principally relate to amortization of capitalized interest and of prior periods' investment tax credits claimed.

(b) The Corporation has accumulated capital losses for tax purposes of \$4.2 million which will be available to apply against future taxable capital gains. No recognition has been given in these financial statements to the potential future tax benefit which may result from the application of these losses.

(c) In addition, \$10.1 million of investment tax credit carry forwards are available to reduce future years' taxes otherwise payable and, if unused, will expire between the years 1985 and 1990. No recognition has been given in these financial statements to the potential future tax benefit which may result from the application of these investment tax credits.

### 8 Related Party Transactions

(a) Rio Algom Limited supervises and manages the business of the Corporation. The 1984 management fee was at the minimum agreed level of \$250,000 (1983 — \$250,000); the fee for future years is to be escalated from a base of \$1,000,000 in 1980 in accordance with a formula based on published government indices and is subject to a minimum of \$250,000 and a maximum based on a percentage of the earnings before taxes.

(b) A shareholder, Teck Corporation, 51% owner and manager of the Bullmoose mine, received from the Corporation a management fee of \$405,000 in 1984 (1983 — \$455,000).

### 9 Segment Information

The Corporation has only one operating segment, mining and milling of copper-molybdenum ore and joint venture interest in mining and treatment of metallurgical coal. Virtually the entire net revenue from mine production relates to export sales.

### 10 Investment in Bullmoose Mine

The following amounts are included in the financial statements and represent the Corporation's proportionate share of the assets, liabilities, revenue and net earnings of the Bullmoose mine:

	December 31,	
	1984	1983
	(in thousands)	
<b>Assets</b>		
Current .....	\$ 14,747	\$ 15,933
Construction in progress .....	—	103,902
Property, plant and equipment .....	99,340	—
Long term receivables .....	1,056	—
	<b>\$115,143</b>	<b>\$119,835</b>
<b>Liabilities and Equity</b>		
Current liabilities .....	\$ 3,842	\$ 6,820
Housing loans .....	2,006	1,898
Equity .....	109,295	111,117
	<b>\$115,143</b>	<b>\$119,835</b>
	Year Ended December 31,	
	1984	1983
	(in thousands)	
<b>Net revenue</b>		
from mine production .....	\$ 62,771	\$ *
<b>Net earnings .....</b>	<b>\$ 3,846</b>	<b>\$ *</b>

\*Mine commenced production January 1, 1984

**Five Year Review**

	1984 <sup>(ii)</sup>	1983	1982	1981 <sup>(i)</sup>	1980
<b>Earnings:</b> (thousands of dollars)					
Net revenue from mine production . . . . .	\$195,725	\$148,506	\$126,893	\$150,929	\$173,738
Investment and other income . . . . .	1,423	1,223	—	3,358	12,355
	<b>197,148</b>	149,729	126,893	154,287	186,093
Operating costs . . . . .	149,086	111,391	111,386	87,274	58,770
Administrative and general . . . . .	14,809	10,590	11,575	9,946	8,465
Amortization and depreciation . . . . .	25,596	20,533	20,816	15,370	9,865
Exploration . . . . .	632	435	714	590	—
Interest . . . . .	13,919	502	2,087	259	110
	<b>204,042</b>	143,451	146,578	113,439	77,210
Earnings (loss) before taxes . . . . .	(6,894)	6,278	(19,685)	40,848	108,883
Income and mining taxes . . . . .	(3,630)	3,595	(8,545)	17,600	43,770
Net earnings (loss) . . . . .	\$ (3,264)	\$ 2,683	\$ (11,140)	\$ 23,248	\$ 65,113
<b>Production Data:</b> (thousands except per operating day data)					
Tons of ore milled . . . . .	31,044	31,710	30,692	22,861	17,678
Per operating day . . . . .	84,821	86,877	84,086	62,634	48,302
Copper in concentrate (pounds) . . . . .	186,210	181,682	194,582	164,730	126,346
Molybdenum in concentrate (pounds) . . . . .	7,448	7,506	6,347	4,790	4,813
Silver (ounces) . . . . .	726	710	739	590	507
<b>Financial Data:</b> (thousands except per share data)					
Per share of common stock					
Net earnings (loss) . . . . .	\$ (0.39)	\$ 0.32	\$ (1.35)	\$ 2.81	\$ 7.87
Dividends . . . . .	\$ —	\$ —	\$ —	\$ 2.00	\$ 4.00
Equity . . . . .	\$ 20.56	\$ 20.96	\$ 20.63	\$ 21.98	\$ 21.17
Long term debt and housing loans . . . . .	\$106,614	\$109,150	\$ 35,761	\$ 1,014	\$ 1,050
Shareholders' equity . . . . .	\$170,019	\$173,283	\$170,600	\$181,740	\$175,030
Common shares outstanding . . . . .	8,269	8,269	8,269	8,269	8,269
Capital expenditures . . . . .	\$ 3,316	\$ 72,660	\$ 41,579	\$ 57,119	\$ 95,833

**Notes:**

(i) The expanded Lornex facilities commenced operations in August, 1981.

(ii) The financial results include, on a proportionate consolidation basis, Lornex's 39% joint venture interest in the Bullmoose metallurgical coal mine, which commenced operations on January 1, 1984.

# Lornex Mining Corporation Ltd.

## Directors

George R. Albino,  
*Mississauga, Ontario*

Ray W. Ballmer,  
*Toronto, Ontario*

Thomas A. Buell,  
*Vancouver, B.C.*

Akira Fujisaki,  
*Tokyo, Japan*

Robert E. Hallbauer,  
*West Vancouver, B.C.*

Lorne H. Hunter,  
*North Delta, B.C.*

Norman B. Keevil, Jr.,  
*Vancouver, B.C.*

David S. R. Leighton,  
*Canmore, Alberta*

Alan F. Lowell,  
*Etobicoke, Ontario*

Herbert A. Pakrul,  
*Mississauga, Ontario*

John H. Spicer,  
*Kelowna, B.C.*

David A. Thompson,  
*West Vancouver, B.C.*

Honorary Director  
Egil H. Lorntzen,  
*Vancouver, B.C.*

## Officers

George R. Albino,  
*Chairman and  
Chief Executive Officer*

Ray W. Ballmer,  
*President and  
Chief Operating Officer*

Lorne H. Hunter,  
*Vice-President*

John G. Hood,  
*Treasurer*

C. William M. Burge,  
*Secretary*

**Mine Management**  
Douglas E. Guild,  
*General Manager*

James McManus,  
*Operations Manager*

H. James Anderson,  
*Administration Manager  
and Controller*

**Exploration**  
David R. Budinski  
*Manager*

## Head Office

P.O. Box 10335,  
Stock Exchange Tower,  
1650-609 Granville Street,  
Vancouver, B.C.  
V7Y 1G5

## Mine Office

P.O. Box 1500,  
Logan Lake, B.C.  
V0K 1W0

## Auditors

Coopers & Lybrand,  
Vancouver, B.C.

## Registrar and Transfer Agent

The National Victoria &  
Grey Trust Company,  
Vancouver, B.C.

## Shares Listed (Symbol LMN)

Vancouver Stock Exchange

**Lornex**