

BC Sugar

Annual Report 1984

Financial Highlights

(000's omitted, except per share amounts)

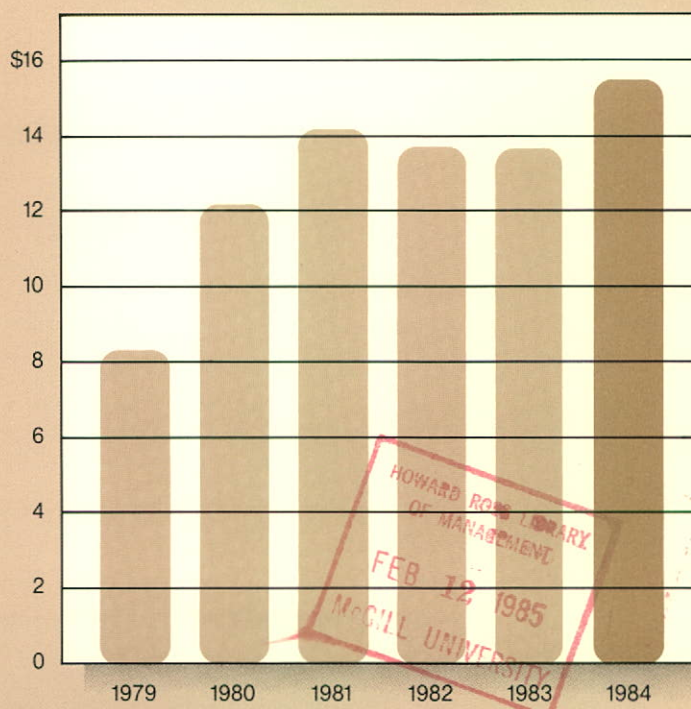
Year Ended September 30	1984	1983	1982
Revenues	\$145,407	\$158,885	\$160,173
Earnings before extraordinary items	\$ 6,896	\$ 4,584	\$ 6,961
Net earnings	\$ 8,331	\$ 6,465	\$ 6,961
Shareholders' equity	\$ 98,178	\$ 72,980	\$ 72,874
Average shares outstanding	5,441	5,037	5,053

Per Common Share

Earnings from sugar operations	\$ 1.94	\$ 2.30	\$ 1.68
Loss from oil and gas	(.68)	(1.41)	(.33)
Earnings before extraordinary items	1.26	.89	1.35
Extraordinary items	.26	.38	—
Net earnings	\$ 1.52	\$ 1.27	\$ 1.35
Funds from operations	\$ 2.51	\$ 3.05	\$ 2.54
Dividends	\$ 1.20	\$ 1.20	\$ 1.20

Shareholders' Equity Per Common Share

After payment of dividends





To BC Sugar Shareholders

We are pleased to report that in our 94th year of business, BC Sugar achieved three major goals.

Firstly, through the investment of \$25 million in Anderson Exploration Ltd., BC Sugar essentially completed a major diversification which has substantially enhanced the Company's asset base and income potential. Secondly, BC Sugar successfully marketed its first public offering of common shares, thereby maintaining the Company's strong financial position and the ability to pursue new opportunities. Finally, the Company maintained its sugar operations at profitable levels, despite a 13-year low in the world price of sugar.

Oil and gas

BC Sugar's diversification into oil and gas took place over an 8-year period. In 1976, an initial investment of \$5 million was made in Fairweather Gas Ltd., and in the following four years, a further \$10 million was invested in Fairweather to fund an exploration and development program. Additional investments were made in the Fairweather/Anderson group of companies in 1981 and 1982. In late 1982, Anderson Exploration Ltd. ("Anderson") was formed through

the amalgamation of Fairweather and other companies in the Anderson group. In November, 1983, BC Sugar invested \$25 million in Anderson as part of a \$110 million private placement of voting common shares. At September 30, 1984, the carrying value of BC Sugar's investment in Anderson amounted to \$86 million.

The current ownership of Anderson is as follows:

	%
BC Sugar	38.7
Kerr Addison Mines Limited	32.6
J. C. Anderson and others	28.7
	<u>100.0</u>

Anderson has proven and probable reserves in excess of 600 billion cubic feet of natural gas and 8 million barrels of oil and natural gas liquids. Productive capacity is approximately 100 million cubic feet of gas per day. The Company generates a sizeable cash flow, sufficient to finance an active exploration and development program. Perhaps most important of all, management has a proven record of success in finding and developing

new reserves and has a significant ownership interest in the Company.

A detailed report on the activities of Anderson commences on page 9.

Financial position

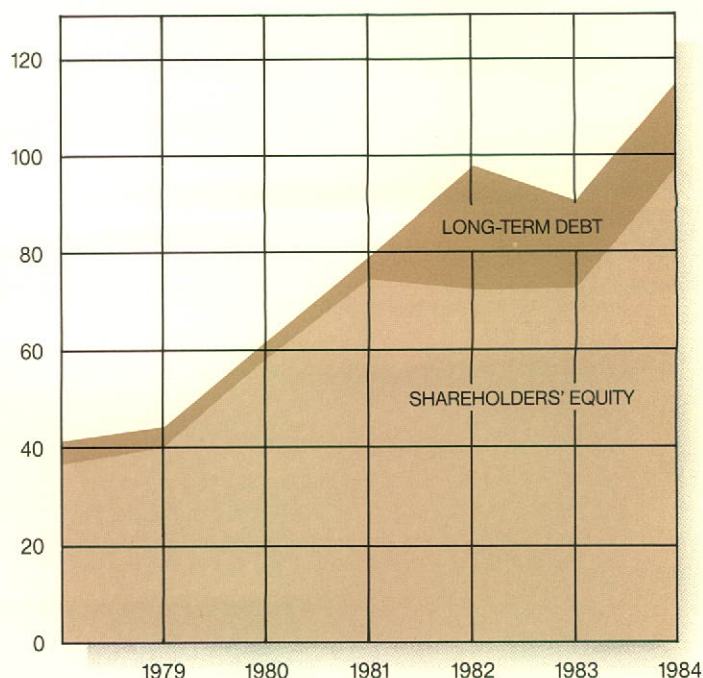
BC Sugar's participation in oil and gas was financed principally by internally generated funds and issues of treasury shares. Very little debt was used to finance the investments in Anderson and its predecessor companies. The result is that BC Sugar has emerged from a major diversification with a strong balance sheet.

At the year-end, the Company's long-term debt totalled \$17 million, and shareholders' equity amounted to \$98 million. BC Sugar remains well-positioned to pursue new investment opportunities.

Sugar brings a natural sweetness to jams and jellies, also helping to preserve the full flavour and taste of the fruit.

Capital Structure

In millions of dollars





Weekends and the warm aroma of cookies fresh from the oven. As well as lending the desired sweetness and texture, sugar provides a ready source of energy.

New investments

BC Sugar made two new investments in 1984.

In December, 1984, subsequent to the year-end, the Company invested \$3 million in Chatterton Petrochemical Corporation, a new company which recently acquired Dow Chemical's phenol plant in Delta, B.C. BC Sugar owns 60% of Chatterton, with management of Chatterton owning the remaining 40%. Phenol is used in the manufacture of adhesives and plastics. The Delta plant will produce phenol, benzoic acid and specialty chemicals. The product mix will vary from time to time in order to meet changing marketing opportunities.

During 1984, BC Sugar invested \$500,000 in Ventures West Technologies, a Vancouver-based venture capital fund set up to invest in high technology companies. This investment by BC Sugar will provide a window which will be of assistance in

assessing possible increased participation in this business sector in the future. Since establishment in 1983, Ventures West has invested approximately \$10 million in a diversified portfolio of emerging growth companies, and a further \$15 million, to be provided by the participants, will be invested in the next few years.

Cash flow and dividends

BC Sugar's cash flow is more than sufficient to provide funds for capital purposes and for dividends. Over the last five years, internally generated funds have totalled \$77 million, of which \$14 million was spent on capital improvements to sugar facilities and \$30 million was paid out to shareholders as dividends.

In the most recent fiscal year, the Company generated funds from operations of \$13.7 million, of which \$2.5 million was spent on capital improvements and \$6.5 million was distributed as dividends. During 1984, the annual dividend rate was maintained at \$1.20 per share.

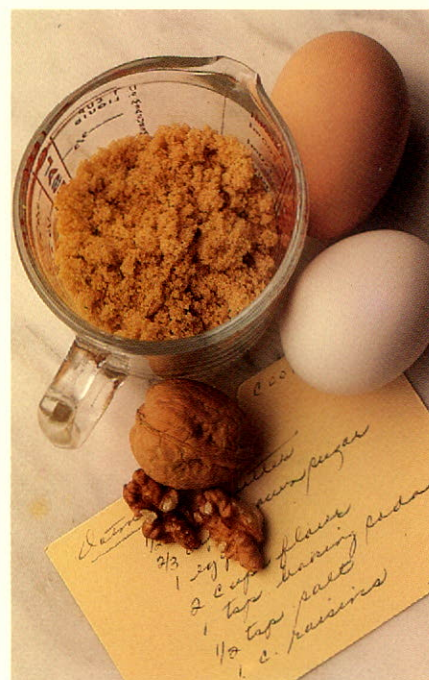
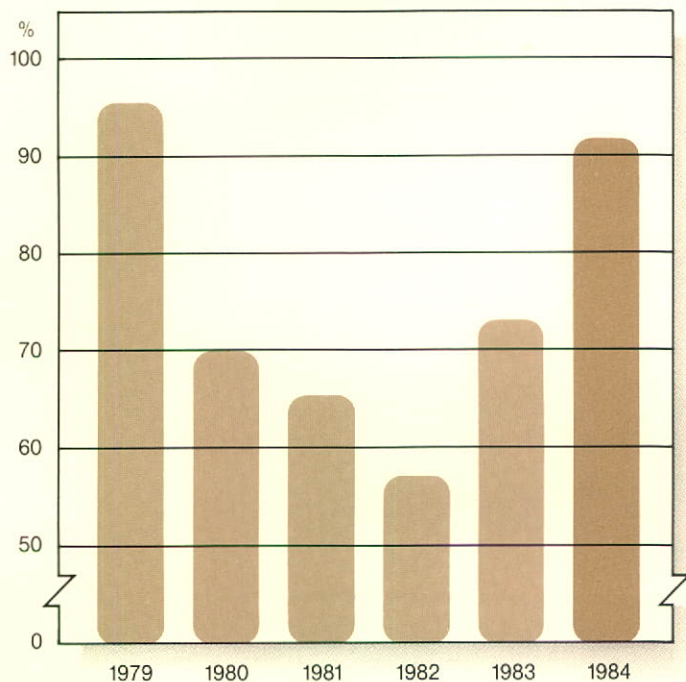
Sugar

During the past fiscal year, the world market for raw sugar averaged just under 6 cents U.S. per pound. This level, which is a 13-year low, is well below the cost of production of the most efficient producers. There is little prospect for any significant improvement in the next year, if world stocks remain at their present high levels.

Negotiations for a new International Sugar Agreement continued during 1983 and 1984. Because the major exporters, including the EEC, could not agree on basic export entitlements, the many months of meetings held in Geneva culminated in complete disagreement in June of this year. This means that for some time to come, the world will operate

Phenol Production as Percentage of Capacity

Source: Industry and trade estimates for North America



'Homemade is best,' starting from scratch and with the simplest ingredients. Sugar, in its many forms, has played a traditional role in kitchens for generations.



Rogers' Syrup is a familiar sight at breakfast, accompanying pancakes, waffles and French toast, while its smooth-blending qualities also make it a choice baking and cooking ingredient.

without any international sugar agreement, although it must be recognized that none of the previous agreements were particularly successful. However, some kind of international agreement would appear to be in the best interests of both importing and exporting countries.

During the past year, the Canadian sugar industry had to face competition from very low-priced U.S. sugar coming into Canada. Two years ago, the United States changed its policy in order to protect its domestic cane and beet industry. From a system of fees and duties, it moved to a system of country-by-country import quotas. Additionally, a re-export program, coupled with large duty drawbacks, enabled U.S. refiners to purchase raw sugar at low world market prices, provided the resultant refined sugar was ultimately exported. Revenue

Canada determined that sales of this U.S. sugar in Canada constituted dumping, but at a hearing of the Anti-Dumping Tribunal, no injury was found. In the opinion of your Company, the Tribunal erred in its finding, particularly with reference to the beet sugar industry in western Canada. The decision of the Tribunal is under appeal.

The last eighteen months have witnessed a strong advertising program by the makers of Aspartame, a synthetic sweetener normally marketed as NutraSweet. The claims made by the manufacturer and users are often questionable. The sugar industry in North America, as well as in Europe and Australia, is embarking on a campaign to refute anti-sugar claims with medical and scientific facts. The overwhelming evidence shows that

sugar is a pure, safe product, does not cause obesity, heart disease or any other major disease and is nature's most desirable natural sweetener.

Capital expenditures at the Vancouver refinery related principally to a change in the purification process. This project will be completed in early 1985. At Manitoba, a completely new juice purification process was installed, similar to the system installed at Taber, Alberta two years ago. The new processes have greatly assisted this fall's operations, which have otherwise proven to be very difficult due to inclement weather during the beet harvesting period.

Outlook

With a new government in Canada, the country can look forward to an improved environment for natural gas exports to the United States, but favourable returns to producers will take some time to develop. Sugar earnings for the coming year are not expected to show any appreciable improvement unless there is a dramatic change in world stocks. However, the Company's participation in oil and gas, sugar and now specialty chemicals is such that shareholders can look forward to the coming years with confidence.

The Board of Directors recognizes the efforts of its employees and thanks them for a job well done during the past year.

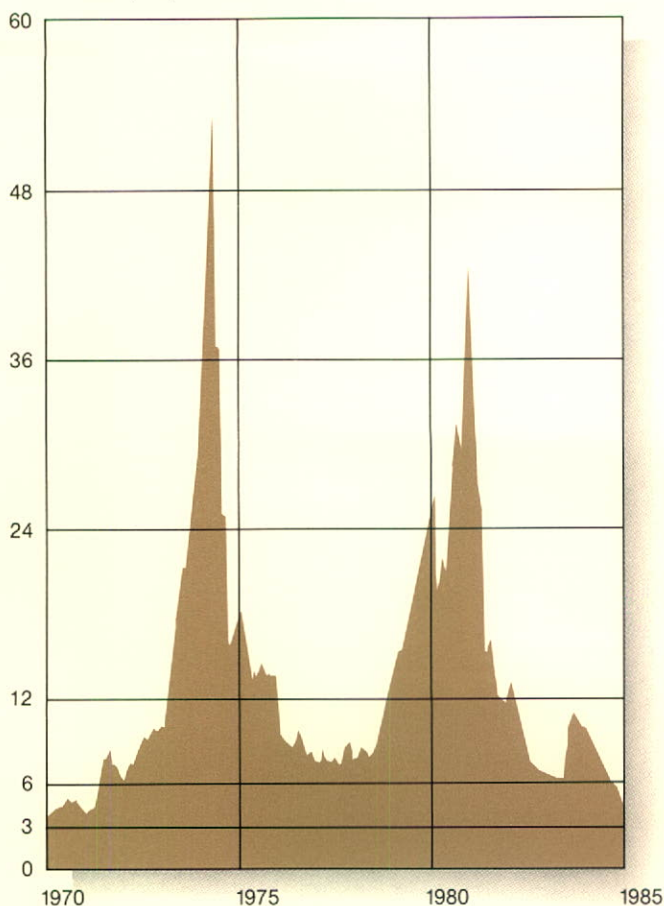
On behalf of the Board

Peter A. Chemiawsky

Chairman
BC Sugar

December 6, 1984
Vancouver, B.C.

World Raw Sugar Price
U.S. cents per pound





Anderson Exploration Ltd.

The most significant event of the 1984 fiscal year was the \$110 million private placement of voting common shares, completed in November, 1983. The proceeds of the private placement were used to reduce long-term debt.

During the year, a considerable amount of management time was spent positioning the Company for the future. New and larger office space in Calgary was obtained at reduced overall cost. The office staff was increased by almost 50%, and the search for additional technical staff continues. Most importantly, significant exploration and development work was undertaken on new projects in the effort to maximize the value of the shareholders' investment. Studies to increase values of existing properties were also undertaken.

Financial information

The financial statements of the Company are set out in Note 3 to BC Sugar's financial statements.

Despite a 20% reduction in revenues due to reduced natural gas sales,

cash flow increased from \$10.7 million in 1983 to \$14.3 million in 1984. The net loss for 1984 amounted to \$5.7 million, compared to \$7.9 million in 1983. The difference between the loss of \$5.7 million and funds from operations of \$14.3 million represented non-cash charges for depletion and deferred income taxes. The provision for depletion, amounting to \$13.1 million in 1984, reflects a substantial step-up in the carrying value of oil and gas properties resulting principally from the 1981 acquisition of Alamo Petroleum Ltd.

Drilling activity

During the year, Anderson participated in the drilling of 58 wells, 42 operated by the Company and 16 operated by other companies. This activity resulted in 35 oil wells, 12 gas wells and 11 dry holes, for an overall success ratio of 81%.

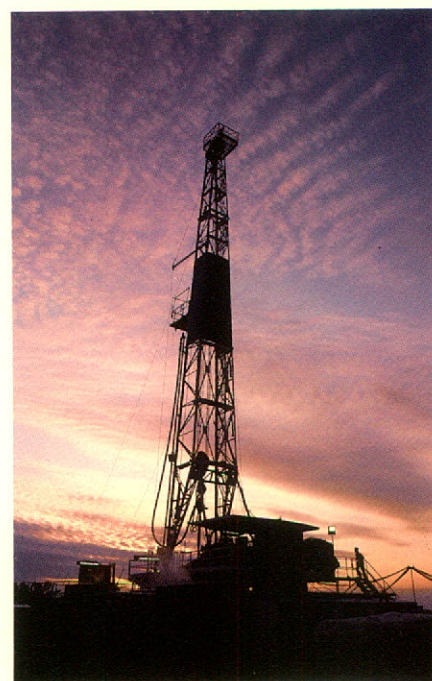
As this activity indicates, the main emphasis during the year was on oil exploration and development. A number of the gas wells completed were drilled in search of oil.

In 1985, the Company intends to continue to pursue oil prospects, but, in addition, some emphasis will be placed on gas exploration if the prospect work indicates the potential for significant reserves.

Production

Daily average production volumes for the Company were as follows:

	1984	1983
Natural gas (millions of cubic feet per day)	42.3	54.5
Liquids (barrels per day)		
—oil	872	663
—natural gas liquids	218	295
	1,090	958



Drilling deep into the earth, exploration for oil and gas is an on-going process of vital importance to the energy of tomorrow.

Natural gas provides an economical way to cook our food and heat our homes. In industry, this important natural resource has a myriad of applications as a form of both heat and energy.

Although several new gas properties came on stream during 1984, gas production was down 20% from 1983 levels. This reduction was due almost entirely to low nominations at Dunvegan by Alberta and Southern Gas, which delivers gas to the northern California market. Demand for Canadian gas in that market was reduced mainly because of competition from lower priced U.S. natural gas and from alternate energy supplies.

Oil production was the bright spot in 1984 with volumes up 32% over 1983. This increase reflected concentration on oil prospects and development during the year.

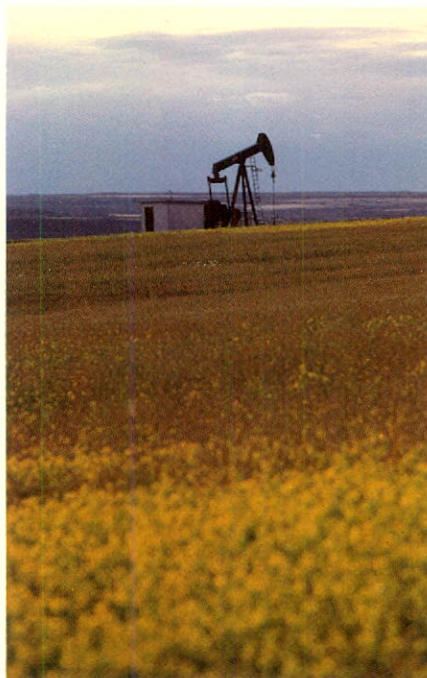
Land purchases

During 1984, the Company participated in the purchase of 22,400 gross acres of petroleum and natural gas rights. Anderson's net share in these rights was 14,516 acres, for an average working interest of 64.8%. Cost of the purchases amounted to \$2.65 million, for an average price of \$183/acre. As yet, most of the land purchased remains undrilled as additional well and technical data are acquired and additional lands are pursued.

In 1985, substantial land activity is anticipated through participation in Crown Sales and negotiation of farm-ins.

New production facilities

During 1984, new gas handling facilities commenced operation at Kitscoty and Lloydminster in eastern Alberta and at Belloy in the Peace River area. The first two facilities started up during the second quarter. The Belloy facility started up during the third quarter as a satellite to the main Belloy gas processing plant. It handles gas production from one Dunvegan Gas Unit well and three Dunvegan Field non-unit wells. The Company's interest in the two eastern Alberta plants is 100% and in the Belloy facility approximately 55%.



Production from western Canada's oil fields continues to provide one of the world's most valuable resources.

At Manyberries in southern Alberta, a major expansion of the oil handling facilities was completed to service production from the increasing number of wells in that area.

At the year-end, two gas handling facilities were in the planning and design stages. A gathering and satellite facility will be installed at Hines Creek North, and a new processing plant is to be installed at Rycroft. These facilities are being built to accommodate gas production under a new gas sales contract which will provide fuel gas for an enhanced heavy oil project in Alberta.

Outlook

Government actions and political events during the year give some cause for optimism. The most significant action was the implementation of a mechanism for reduction of the border price of natural gas exported to the United States. Effective November 1, 1984, the border price of Canadian gas sold by Alberta and Southern Gas has been reduced to \$3.40 U.S./MCF. This price replaces the former two-tier system of \$4.40 U.S./MCF for the first 50% of licensed volumes and \$3.40 U.S./MCF for the second 50%. The new pricing mechanism should bring about some recapture of United States markets lost during the period of high Canadian prices.

Five-Year Review

(In thousands of dollars except per share amounts)

FINANCIAL	1984	1983	1982	1981	1980
Revenues	\$145,407	\$158,885	\$160,173	\$213,458	\$201,505
Earnings from sugar operations	10,610	11,682	8,627	14,362	12,299
Earnings (loss) from oil and gas	(3,714)	(7,098)	(1,666)	318	409
Extraordinary items	1,435	1,881	—	—	11,856
Net earnings	8,331	6,465	6,961	14,680	24,564
Funds provided from sugar operations	13,666	15,343	12,812	19,467	16,375
Capital expenditures on sugar facilities	2,425	984	3,370	3,824	2,919
Cash dividends paid to BC Sugar shareholders	6,548	6,230	6,048	5,864	5,520
Balance of funds provided from sugar operations	4,693	8,129	3,394	9,779	7,936
Investment in Anderson Exploration Ltd.	86,258	61,564	66,851	39,895	12,608
Long-term debt	16,839	17,454	25,226	4,338	3,666
Shareholders' equity	98,178	72,980	72,874	74,931	58,660
Per common share					
Earnings before extraordinary items	\$1.26	\$.89	\$1.35	\$3.00	\$2.63
Extraordinary items	.26	.38	—	—	2.47
Net earnings	1.52	1.27	1.35	3.00	5.10
Dividends	1.20	1.20	1.20	1.20	1.12
OTHER INFORMATION					
Number of employees	527	542	556	575	570
Degree of Canadian registration of common shares	95%	94%	94%	94%	92%

Statement of Earnings

BC Sugar Refinery, Limited and Consolidated Subsidiary, Years ended September 30

(In Thousands of Dollars)

	1984	1983
Revenues	\$145,407	\$158,885
Costs and expenses		
Cost of sales	104,610	116,593
Selling, general and administrative	15,336	15,448
Depreciation	2,979	3,067
Long-term debt interest	3,349	2,418
Other interest	1,592	1,444
Total costs and expenses	127,866	138,970
	17,541	19,915
Income taxes (Note 6)	6,931	8,233
Earnings from sugar operations	10,610	11,682
Loss from oil and gas	(3,714)	(7,098)
Earnings before extraordinary items	6,896	4,584
Extraordinary items (Note 3(b))	1,435	1,881
Net earnings	\$ 8,331	\$ 6,465
Per Common Share		
Earnings from sugar operations	\$1.94	\$2.30
Loss from oil and gas	(.68)	(1.41)
Earnings before extraordinary items	1.26	.89
Extraordinary items	.26	.38
Net earnings	\$1.52	\$1.27

Statement of Reinvested Earnings

	1984	1983
Balance, beginning of year	\$ 61,950	\$ 61,911
Net earnings	8,331	6,465
	70,281	68,376
Dividends	6,499	6,426
Share issue expenses	755	—
Balance, end of year	\$ 63,027	\$ 61,950

Statement of Changes in Financial Position

BC Sugar Refinery, Limited and Consolidated Subsidiary, Years ended September 30

(In Thousands of Dollars)

	1984	1983
Funds provided from sugar operations	\$ 13,666	\$ 15,343
Capital expenditures on sugar facilities	2,425	984
Cash dividends paid to BC Sugar shareholders	6,548	6,230
	8,973	7,214
Operating funds remaining	4,693	8,129
Other sources of funds		
Realization of investments	781	684
	5,474	8,813
Other uses of funds		
Investment in Anderson Exploration Ltd.	25,000	—
Financed from proceeds of common share issue	(23,000)	—
	2,000	—
Purchase of investments	1,006	359
Repayment of long-term debt	615	7,772
Share issue expenses	755	—
	4,376	8,131
Increase in working capital	\$ 1,098	\$ 682
Working capital at beginning of year	\$ 10,270	\$ 9,588
Working capital at end of year	\$ 11,368	\$ 10,270

Balance Sheet

BC Sugar Refinery, Limited and Consolidated Subsidiary, September 30

(In Thousands of Dollars)

	1984	1983
ASSETS		
Current Assets		
Accounts receivable	\$ 16,950	\$ 16,027
Inventories (Note 2)	19,856	21,944
Total current assets	36,806	37,971
Investment in Anderson Exploration Ltd. (Note 3)	86,258	61,564
Other Investments (Note 4)	9,931	9,892
Fixed Assets		
Property, plant and equipment	77,486	75,187
Less accumulated depreciation	59,844	56,991
Total fixed assets	17,642	18,196
Total	\$150,637	\$127,623

	1984	1983
LIABILITIES		
Current Liabilities		
Bank loans, secured	\$ 4,663	\$ 4,374
Accounts payable and accrued liabilities	20,775	17,977
Income taxes payable	—	5,350
Total current liabilities	25,438	27,701
Long-Term Debt (Note 5)	16,839	17,454
Income Taxes Provided not Currently Payable	10,182	9,488
Total	52,459	54,643
SHAREHOLDERS' EQUITY		
Share Capital (Note 7)		
6,300,634 Common shares (1983—5,291,930 shares)	37,753	14,565
82,000 Preferred shares	1,640	1,640
	39,393	16,205
Earnings Reinvested in the Business	63,027	61,950
	102,420	78,155
Less the Company's pro rata interest in its shares held by Anderson Exploration Ltd. (Note 3(b))	(4,242)	(5,175)
Total shareholders' equity	98,178	72,980
Total	\$150,637	\$127,623

Approved by the Board
Peter A. Cherniavsky, *Director*.
John W. Pitts, *Director*.

Notes to Financial Statements

BC Sugar Refinery, Limited and Consolidated Subsidiary, September 30, 1984

1. Significant accounting policies

a) Basis of presentation

The consolidated financial statements include the accounts of the wholly-owned subsidiary company, The British Columbia Sugar Refining Company, Limited.

The Company's interest in Anderson Exploration Ltd. ("Anderson") has been accounted for on the equity basis. The excess of the purchase price of the shares of Anderson over their underlying book value has been attributed to oil and gas properties and is being amortized on the basis of estimated proven reserves.

b) Inventories

Inventories of beet sugar and supplies are valued at the lower of average and replacement cost. A normal quantity of 35,000 tonnes of cane sugar is valued at \$85 per tonne, which is less than replacement value. Any quantities of cane sugar in excess of this amount are valued at the lower of average and replacement cost.

c) Depletion

The Company and Anderson follow the full cost method of accounting whereby all costs relative to the exploration and development of oil and gas properties, whether productive or non-productive, are capitalized and depleted on the composite unit of production method based on estimated proven reserves.

d) Fixed assets

Fixed assets are stated at cost. Depreciation is computed on the diminishing balance basis at rates varying from four percent to thirty percent per annum.

e) Income taxes

In accounting for income taxes, the Company follows the tax allocation method. Deferred income taxes are provided on timing differences which result primarily from claiming capital cost allowances in excess of depreciation provided and from the difference between the Company's basis of valuing its sugar inventories and that permitted for income tax purposes.

f) Earnings per common share

Earnings per common share are calculated after adjusting for the reciprocal ownership of shares of the Company held by Anderson. Per share amounts are calculated using the weighted number of shares outstanding. Fully diluted earnings per share, which assume the exercise of warrants described in Note 7, do not differ significantly from reported earnings per share.

2. Inventories

	1984	1983
Sugar	\$14,870,000	\$16,220,000
Supplies	4,986,000	5,724,000
	<u>\$19,856,000</u>	<u>\$21,944,000</u>

3. Anderson Exploration Ltd. ("Anderson")

a) Financial information of Anderson

Years ended September 30

(In Thousands of Dollars)

1984

1983

Statement of earnings

Revenue

Oil and gas (net of royalties)	\$ 40,589	\$ 48,228
Dividends and interest	717	877
	41,306	49,105

Expenses

Operating	5,832	5,088
Petroleum and gas revenue tax	6,300	6,730
Depletion and depreciation	13,100	15,140
General and administrative	1,924	2,224
Interest	15,079	28,319
	42,235	57,501
	(929)	(8,396)

Income taxes

Current	350	30
Deferred	6,950	4,383
Alberta royalty tax credit	(2,504)	(4,000)
	4,796	413
	(5,725)	(8,809)

Extraordinary item

	—	900
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Net loss

	\$ (5,725)	\$ (7,909)
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Funds from operations

	\$ 14,325	\$ 10,714
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Changes in financial position

Funds from operations	\$ 14,325	\$ 10,714
Gas production prepayments	8,912	6,738
Issuance of shares	110,000	4,789
Total funds provided	133,237	22,241
Repayment of long-term debt	88,483	30,177
Expenditures on oil and gas properties	12,791	8,522
Share issue expenses	1,009	—
Long-term debt maturing within one year	—	28,750
Decrease in deferred revenue	—	8,268
Purchase of investments	—	288
Total funds used	102,283	76,005
Increase (decrease) in working capital	\$ 30,954	\$ (53,764)

Notes to Financial Statements

BC Sugar Refinery, Limited and Consolidated Subsidiary, September 30, 1984

3. Anderson Exploration Ltd. ("Anderson") (cont'd.)

Condensed balance sheet

	September 30	
	1984	1983
ASSETS		
Current assets	\$ 8,581	\$ 12,898
Oil and gas properties, plant and equipment (net)	313,968	314,277
Shares of other companies, including 492,000 shares of BC Sugar	14,266	14,266
	\$336,815	\$341,441
LIABILITIES		
Current liabilities	\$ 5,266	\$ 40,537
Deferred revenue	35,769	26,857
Deferred income taxes	33,307	26,832
Long-term debt	112,767	201,250
	187,109	295,476
SHAREHOLDERS' EQUITY	149,706	45,965
	\$336,815	\$341,441

b) BC Sugar's ownership of Anderson

On November 1, 1983, Anderson completed a \$110 million private placement of treasury shares in which BC Sugar participated to the extent of \$25 million. As a result of the private placement, BC Sugar's ownership of Anderson was reduced from 51.6% to 38.7%. The excess of the selling price of the treasury shares over BC Sugar's carrying value, applied to the 12.9% dilution of ownership, resulted in an extraordinary gain of \$1,435,000 net of income taxes.

To reflect Anderson's ownership of 492,000 shares of BC Sugar, shareholders' equity has been reduced by Company's share of the cost of the BC Sugar shares held by Anderson.

4. Other investments

	1984	1983
Real estate development properties	\$5,548,000	\$5,148,000
Oil and gas properties	3,243,000	3,586,000
Shares of other companies	1,140,000	1,158,000
	\$9,931,000	\$9,892,000

5. Long-term debt

	1984	1983
Notes due by 1985 at an interest rate which is the average of the prime lending rate and the one-year term deposit rate	\$14,314,000	\$14,314,000
9½% First Mortgage Sinking Fund Bonds repayable \$635,000 annually to 1986 and \$610,000 in 1987, net of sinking fund purchases in advance	1,814,000	2,414,000
Loans for real estate development	1,320,000	1,320,000
	17,448,000	18,048,000
Less current portion included in accounts payable	609,000	594,000
	\$16,839,000	\$17,454,000

The notes are secured by bank letters of credit. Long-term bank borrowings will be utilized to repay the notes to the extent that internally generated funds are not available to satisfy the obligations.

6. Income taxes

The Company's effective income tax rate on earnings from sugar operations is comprised as follows:

	1984	1983
Combined basic federal and provincial income tax rate	51.1%	51.5%
Manufacturing and processing profits deduction	(6.0)	(6.0)
Inventory allowance	(3.2)	(3.2)
Other	(2.4)	(1.0)
Effective income tax rate	39.5%	41.3%
Actual provision for income taxes	\$6,931,000	\$8,233,000

7. Share capital

	1984	1983
Common shares		
Class A	4,885,829	3,859,626
Class B	1,414,805	1,432,304
	6,300,634	5,291,930
Preferred shares, carrying a cumulative dividend entitlement of \$1.00 per share and redeemable at \$20.00 per share	82,000	82,000

Class A and Class B shares have equal voting rights, rank equally with respect to dividends and are convertible into one another on a share for share basis. Class B shareholders may receive either cash or stock dividends. During the year, 8,704 shares (1983—11,255 shares) were issued as stock dividends.

In May, 1984, the Company issued 1,000,000 common shares and 500,000 warrants for \$23,000,000 cash. Each warrant entitles the holder to purchase one common share of the Company on or before May 31, 1988 at a price of \$25.00 per share.

Auditors' Report

To the Shareholders

We have examined the consolidated balance sheet of BC Sugar Refinery, Limited as at September 30, 1984 and the related consolidated statements of earnings, reinvested 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 consolidated financial statements present fairly the financial position of the Company as at September 30, 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.

Vancouver, Canada
November 16, 1984

THORNE RIDDELL
Chartered Accountants

Directors

J. C. Anderson
President of Anderson Exploration Ltd.

Ian Angus
Formerly Vice-President of the Company

William C. Brown
Vice-President of the Company

Peter A. Cherniavsky
Chairman of the Company

John G. Cochrane
Vice-President of the Company

William R. Hetherington
Formerly Vice-President of the Company

John W. Pitts
President of MacDonald Dettwiler and Associates Ltd.

H. Richard Whittall
*Vice-Chairman and Director,
Richardson Greenshields of Canada Limited*

F. Cameron Wilkinson
Chairman of Wilkinson Company Limited

Forrest Rogers
Director Emeritus

Officers

Peter A. Cherniavsky
Chairman and President

William C. Brown
Vice-President

John G. Cochrane
*Vice-President, Finance
and Secretary*

William A. Willison
Vice-President

Brian A. Rogers
General Sales Manager

Stanley E. George
General Manager, Operations

James W. Hudson
Treasurer

G. M. Guccione
*General Manager,
Alberta Sugar*

David M. S. Elliott
*General Manager,
Manitoba Sugar*

Head Office

Location:
Rogers Street, Vancouver, B.C.
Postal address:
Box 2150, Vancouver, B.C. V6B 3V2

Stock Listing

Toronto Stock Exchange

Transfer Agents

National Trust Company, Limited

Annual Meeting

The Annual Meeting of Shareholders will be held on Wednesday, February 6, 1985 at 3:00 P.M. in the Park Ballroom of The Four Seasons Hotel, Vancouver, British Columbia.



From home-baking to home preserves, it's only natural to use sugar. More than the world's most popular sweetener, sugar is an important part of our daily diet, supplying the energy the body needs to complete its daily tasks.