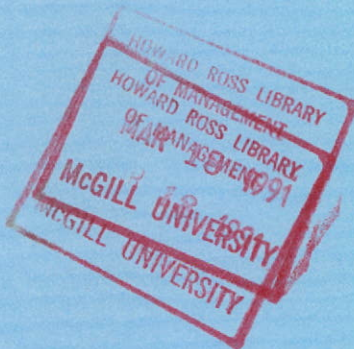


# LIBERIAN IRON ORE LIMITED



Annual Report **1990**



# LIBERIAN IRON ORE LIMITED

## Annual Report **1990**

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THE ANNUAL AND SPECIAL MEETING OF LIBERIAN IRON ORE LIMITED SHAREHOLDERS WILL BE HELD ON APRIL 19, 1991, AT 10:30 A.M. AT THE OFFICE OF OGILVY RENAULT, 1981 MCGILL COLLEGE AVENUE, SUITE 1200, MONTREAL, QUEBEC, CANADA.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Liberian Iron Ore Limited (LIO) completed on June 20, 1990 the sale of its 50% of the common stock of The Liberian American-Swedish Minerals Company (LAMCO) to Liberian Mining Corporation (LIMINCO), which is wholly owned by the Government of Liberia (the "Government"). The Government owns the other 50% of the LAMCO common stock.

After disposing of its investment in LAMCO, LIO's only assets are cash and bank certificates of deposit, marketable securities (preferred shares) of Canadian issuers and the \$11,700,000 promissory note described below. During 1990 LIO earned interest and received dividends on these investments (excluding the promissory note) at a combined rate of return of 9.3% (9.2% - 1989) on an average investment of \$53,441,188 (\$33,439,599 - 1989). LIO had a net profit of \$31,694,060 or \$8.01 per share in 1990 compared with a net profit of \$11,319,367 or \$2.86 per share in 1989.

The LAMCO Joint Venture ceased mining operations in the Concession Area on July 29, 1989 and completed all transportation, stockpiling, handling and shipping activities related to such mining operations on October 31, 1989 with the exception of shipping of a small quantity of iron ore remaining in the stockpile. The LAMCO Joint Venture had substantially completed all of its administrative and financial activities and satisfied or made appropriate provision for substantially all of its liabilities and obligations related to its operations by June 20, 1990.

In response to the request of the Government and LIMINCO to facilitate the continuation of mining operations in the Concession Area, using LAMCO's assets and the powers granted in the Concession Agreement, LAMCO entered into an Assignment and Assumption Agreement, dated December 5, 1989, with the Government and LIMINCO. Under the Agreement LAMCO transferred to LIMINCO substantially all of its rights and interests in the assets within the Concession Area and its powers to mine, process, transport and ship iron ore and iron ore products. In return, the Government (a) assumed all pending and future claims, liabilities, demands, obligations, damages and judgments in any way related to or arising out of or connected to any threatened or actual legal, administrative or other similar proceeding in Liberia against any of the LAMCO Parties relating to the LAMCO Joint Venture, (b) paid \$1 and (c) agreed to pay appropriate additional compensation to be determined.

On March 12, 1990 LIO received from LAMCO an aggregate of \$ 30,562,651 as follows:

(i) as the earnings of LAMCO in 1989 from iron ore sales which were completed in October 1989 were \$ 15,456,989, this amount was paid as a dividend to LIO in respect of the then unpaid dividends (under the Concession Agreement, subject to certain conditions, these dividends had to be satisfied before any other dividends could be paid in equal amounts to the Government and LIO),

(ii) as LAMCO was basically inactive and could be considered a discontinued operation, LAMCO repaid its capital obligation of \$ 12,855,662 which was due to LIO, and

(iii) LIO was paid \$ 2,250,000 representing LIO's portion of the LAMCO capital which was in excess of the par value of the capital stock of LAMCO.

The \$ 30,562,651 was taken into LIO's income in the first quarter of 1990.

On June 20, 1990 LIO sold to LIMINCO its 50% of the common stock of LAMCO and received \$1 from LIMINCO.

As a result of negotiations, the aforementioned additional compensation has been determined to be \$11,700,000 and has been paid to LIO in the form of a promissory note issued by LIMINCO. The note will not bear interest for the first three years and the principal shall be repaid in semi-annual instalments beginning on September 15, 1993 with the last instalment due on March 15, 2000.

To the extent that LIO receives payment of principal and interest on the \$11,700,000 promissory note, such payments will be recognized by LIO in the period during which they are received unencumbered from LIMINCO. In the circumstances, LIO is carrying the note in its accounts at a nominal value of \$1.

The Directors of LIO have determined that it is in the interest of the shareholders to keep LIO active in order that management can pursue either repayment of the promissory note at an appropriate time or enhancement of its value through negotiation, which might include a role or position relating to future iron ore operations in Liberia and Guinea.

On February 5, 1991, the Board of Directors of LIO declared a dividend of \$11.38 per share payable on March 15, 1991 to shareholders of record on March 1, 1991. As a result, all but \$10,450 of the retained earnings of LIO as at December 31, 1990 will be distributed to its shareholders.

In addition, the Directors of LIO propose that the paid up capital of LIO be reduced by \$21,475,786 to \$2,010,885. This would permit a further distribution to shareholders of \$5.43 per share. April 19, 1991 has been set as the date for the Annual and Special Meeting of Shareholders at which the proposed reduction of capital will be submitted for approval.

It is anticipated that, in conjunction with the repayment of capital, a nominal dividend will be paid from the earnings for the period from January 1, 1991.

As a result of the disposition of the investment in LAMCO, the forthcoming payment of the dividend now declared and the reduction in paid up capital, the income and operating expenses of LIO will be substantially reduced for the foreseeable future.

February 5, 1991

## BOARD OF DIRECTORS

ALAN G. THOMPSON  
*Chairman*

*President of AGT Financial  
Corporation, Vancouver,  
British Columbia, Canada*

THOMAS S. GILLESPIE  
*(Appointed February 4, 1991)*

*Partner of the law firm of Ogilvy  
Renault, Montreal, Quebec, Canada*

ARNE DAHLSTRÖM  
*President*

*President of Gränges  
International Mining,  
Stockholm, Sweden*

ROBERT L. MUNRO

*Partner of the law firm of Ogilvy  
Renault, Montreal, Quebec, Canada*

### OFFICERS

ALAN G. THOMPSON  
*Chairman*

ARNE DAHLSTRÖM  
*President*

INGEMAR UUSSAAR  
*Secretary-Treasurer*

### HEAD OFFICE

111 Kent Street,  
Charlottetown, Prince Edward Island, Canada C1A 1N3

### FOREIGN OFFICE

S-10545, Stockholm, Sweden

### COUNSEL

Ogilvy Renault  
1981 McGill College Avenue, Montreal, Quebec,  
Canada H3A 3C1

### INDEPENDENT ACCOUNTANTS

Price Waterhouse  
Box 1702, S-11187 Stockholm, Sweden

### TRANSFER AGENTS AND REGISTRARS

The Royal Trust Company  
Charlottetown, Prince Edward Island, Canada

The Royal Trust Company  
Toronto, Ontario, Canada

The Trust Company of New Jersey  
Jersey City, N.J., U.S.A.

## INFORMATION WITH RESPECT TO LIO SHARES

### MARKET FOR LIO'S COMMON SHARES

The common shares (without nominal or par value) of LIO are listed on The Toronto Stock Exchange and are traded on the over-the-counter market in New York. The common shares were quoted in the National Association of Securities Dealers Automated Quotation system (NASDAQ) until 1980 when LIO was notified by the NASD that the volume of trading in the common shares did not continue to meet the volume requirements for quotation in NASDAQ.

No dividends have been declared or paid on the common shares of LIO since 1978.

Under applicable United States-Canada tax treaties, dividends paid by LIO to United States holders of common shares are subject to withholding taxes at a rate of 15% except when the beneficial owner of the dividends is a company which owns 10% or more of the shares of LIO in which case the rate is 10%.

Dividends paid to holders in other countries, including Liberia, are subject to withholding taxes at a rate of 25% unless there is a treaty between Canada and other countries concerned which provides for a lower rate.

### LIO SHARES OUTSTANDING

	1990	1989
Shares outstanding during the year _____	3,955,025	3,955,025
Number of shareholders at December 31 _____	2,835	2,897
located in: Liberia _____	2,337	2,368
U.S.A. and Canada _____	394	422
Other countries _____	104	107

### RANGE OF PRICES PER SHARE FOR BOARD LOTS ON THE TORONTO STOCK EXCHANGE

For quarter ending	Dividends	High Canadian dollars	Low
March 31, 1989	nil	8.00	6.50
June 30, 1989	nil	8.50	7.75
September 30, 1989	nil	9.00	8.00
December 31, 1989	nil	9.00	8.75
March 31, 1990	nil	14.25	9.00
June 30, 1990	nil	16.875	13.50
September 30, 1990	nil	16.50	15.50
December 31, 1990	nil	18.50	16.25

## REPORT OF INDEPENDENT ACCOUNTANTS

### TO THE BOARD OF DIRECTORS OF LIBERIAN IRON ORE LIMITED

We have examined the accompanying balance sheets of Liberian Iron Ore Limited as of December 31, 1990 and 1989, and the related statements of profit and retained earnings and of cash flows for the years then ended. Our examinations were made in accordance with generally accepted auditing standards in Canada, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements examined by us present fairly, in all material respects, the financial position of Liberian Iron Ore Limited at December 31, 1990 and 1989, and the results of its operations and cash flows for the years then ended, in conformity with generally accepted accounting principles consistently applied.

PRICE WATERHOUSE  
Stockholm, February 4, 1991

## BALANCE SHEETS

(Expressed in United States dollars)

December 31  
1990 1989

## ASSETS

## CURRENT ASSETS

Cash including time deposits of \$68,300,000 (\$20,560,000 in 1989) _____	\$68,972,950	\$21,068,982
Marketable securities, at market (Note 5) _____	426,100	15,706,361
Other receivables _____	328,426	230,559
Total current assets _____	69,727,476	37,005,902

## INVESTMENTS

Investment in LAMCO (Notes 1, 2 and 3) _____		1
Note receivable (Note 1) _____	1	
	<u>\$69,727,477</u>	<u>\$37,005,903</u>

## LIABILITIES AND CAPITAL

## CURRENT LIABILITIES

Accounts payable _____	\$ 90,970	\$ 108,735
Unclaimed dividends _____	85,922	85,922
Canadian taxes payable _____	1,045,279	
Total current liabilities _____	1,222,171	194,657

## CAPITAL

Common shares without nominal or par value:		
Authorized – unlimited		
Issued – 3,955,025 shares _____	23,486,671	23,486,671
Retained earnings _____	45,018,635	13,324,575
Total capital _____	68,505,306	36,811,246
Commitments and contingencies (Notes 1, 2 and 3)		
	<u>\$69,727,477</u>	<u>\$37,005,903</u>

The accompanying notes are an integral part of these Financial Statements.

On behalf of the Board

A. G. THOMPSON

A. DAHLSTRÖM



## STATEMENTS OF PROFIT AND RETAINED EARNINGS

(Expressed in United States dollars)

Year ended December 31  
1990 1989

Income (Note 6) _____	\$20,476,067	\$ 7,688,632
Expenses _____	( 765,618)	( 722,463)
Income before adjustments for the following items _____	19,710,449	6,966,169
Exchange (losses) less exchange gains _____	( 89,118)	430,237
Realized capital (losses) in respect of marketable securities sold or called for redemption _____	( 1,634,509)	( 48,659)
Unrealized capital gains less capital (losses) in respect of marketable securities _____	250,994	( 132,473)
Repayment by LAMCO of capital obligation previously written down (Note 1) _____	12,855,662	
Distribution of capital in excess of par value of common stock of LAMCO (Note 1) _____	2,250,000	
Reduction of reserve for guarantee issued (Note 3) _____		4,647,175
Profit before income taxes _____	33,343,478	11,862,449
Income taxes (Note 4) _____	( 1,649,418)	( 543,082)
Net profit _____	31,694,060	11,319,367
Retained earnings at beginning of year _____	13,324,575	2,005,208
Retained earnings at end of year _____	\$45,018,635	\$13,324,575
Net profit per share _____	\$ 8.01	\$ 2.86

The accompanying notes are an integral part of these Financial Statements.

## STATEMENTS OF CASH FLOWS

(Expressed in United States dollars)

Year ended December 31  
1990 1989

Cash flow from operating activities:

Net profit	\$31,694,060	\$11,319,367
Non cash expenses, revenues, losses and gains included in net profit:		
Net (increase) in receivables	( 97,867)	( 53,218)
Net increase in payables	1,027,514	52,514
Exchange gains less exchange losses	89,118	( 430,237)
Unrealized capital (gains) less capital losses in respect of marketable securities	( 250,994)	132,473
Realized capital losses in respect of marketable securities sold or called for redemption	1,634,509	48,659
Reduction of reserve for guarantee issued		( 4,647,175)
Net cash flow from operating activities	34,096,340	6,422,383
Cash flow from investing activities:		
Purchases of marketable securities	( 499,175)	( 7,152,625)
Proceeds from marketable securities sold or called for redemption	14,301,877	603,529
Net cash provided (used) by investing activities	13,802,702	( 6,549,096)
Effect of exchange rate changes on cash	4,926	( 13,144)
Net increase (decrease) in cash	47,903,968	( 139,857)
Cash at beginning of year	21,068,982	21,208,839
Cash at end of year	\$68,972,950	\$21,068,982

The accompanying notes are an integral part of these Financial Statements.

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1990

(Expressed in United States dollars unless otherwise specified)

## NOTE 1

### INVESTMENT IN LAMCO

Liberian Iron Ore Limited (LIO) completed on June 20, 1990 the sale of all its 50% of the common stock of The Liberian American-Swedish Minerals Company (LAMCO), a Liberian corporation, to Liberian Mining Corporation (LIMINCO), which is wholly owned by the Government of Liberia (the Government). The Government owns the other 50% of the LAMCO common stock.

LAMCO participated through June 20, 1990 with LIMINCO in mining iron ore deposits in Liberia under a concession granted by the Government which expires on November 18, 2023.

The LAMCO Joint Venture Agreement between LAMCO and LIMINCO provided that LAMCO had a 75% and LIMINCO a 25% undivided interest in the concession and in the facilities established to develop the concession. The parties generally shared the cost of the LAMCO Joint Venture's production in a 75%-25% ratio.

The LAMCO Joint Venture ceased mining operations in the Concession Area on July 29, 1989 and completed all transportation, stockpiling, handling and shipping activities related to such mining operations on October 31, 1989 with the exception of shipping of a small quantity of iron ore remaining in the stockpile. The LAMCO Joint Venture had substantially completed all of its administrative and financial activities and satisfied or made appropriate provision for substantially all of its liabilities and obligations related to its operations by June 20, 1990.

In response to the request of the Government and LIMINCO to facilitate the continuation of mining operations in the Concession Area, using LAMCO's assets and the powers granted in the Concession Agreement, LAMCO entered into an Assignment and Assumption Agreement, dated December 5, 1989, with the Government and LIMINCO. Under the Agreement LAMCO transferred to LIMINCO substantially all of its rights and interests in the assets within the Concession Area and its powers to mine, process, transport and ship iron ore and iron ore products. In return, the Government (a) assumed all pending and future claims, liabilities, demands, obligations, damages and judgements in any way related to or arising out of or connected to any threatened or actual legal, administrative or other similar proceeding in Liberia against any of the LAMCO Parties relating to the LAMCO Joint Venture, (b) paid \$1, and (c) agreed to pay appropriate additional compensation to be determined.

On March 12, 1990 LIO received from LAMCO an aggregate of \$ 30,562,651 as follows:

(i) as the earnings of LAMCO in 1989 from iron ore sales which were completed in October 1989 were \$ 15,456,989, this amount was paid as a dividend to LIO in respect of the then unpaid dividends (under the Concession Agreement, subject to certain conditions, these dividends had to be satisfied before any other dividends could be paid in equal amounts to the Government and LIO),

(ii) as LAMCO was basically inactive and could be considered a discontinued operation, LAMCO repaid its capital obligation of \$ 12,855,662 which was due to LIO, and

(iii) LIO was paid \$ 2,250,000 representing LIO's portion of the LAMCO capital which was in excess of the par value of the capital stock of LAMCO.

The \$ 30,562,651 was taken into LIO's income in the first quarter of 1990.

On June 20, 1990 LIO sold to LIMINCO all its 50% of the common stock of LAMCO and received \$1 from LIMINCO.

As a result of negotiations, the aforementioned additional compensation has been determined to be \$11,700,000 and has been paid to LIO in the form of a promissory note issued by LIMINCO. The note will not bear interest for the first three years and the principal shall be repaid in semi-annual instalments beginning on September 15, 1993 with the last instalment due on March 15, 2000.

To the extent that LIO receives payment of principal and interest on the \$11,700,000 promissory note, such payments will be recognized by LIO in the period during which they are received unencumbered from LIMINCO. In the circumstances, LIO is carrying the note in its accounts at a nominal value of \$1.

## NOTE 2

### WRITE-DOWN OF INVESTMENT IN LAMCO

Effective January 1, 1982, the Board of Directors of LIO decided to write down to \$1 its investment in LAMCO as shown below. This decision was taken at the meeting of the Board of Directors of LIO in January 1983 after reviewing the unfavorable (i) liquidity of LAMCO, (ii) projections for funds generation from the mining of the remaining high-grade ore reserves of LAMCO in Liberia, and (iii) priority distribution of LAMCO's assets.

Components of investment in LAMCO at December 31, 1981:

Series C preferred stock 6-1/4%, at cost	\$ 9,900,000
Undeclared and unpaid cumulative dividends on Series C preferred stock	2,552,347
Class B common stock	1,000,000
Class B common stock adjusted for changes in equity in undistributed earnings of LAMCO attributable to common stock	9,657,820
Capital obligation, non-interest bearing, at cost, receivable only upon liquidation of LAMCO	12,855,662
Organization and pre-operating expenses less accumulated amortization	153,970
Deferred Liberian taxes	( 638,086)
Total investment at December 31, 1981	<u>35,481,713</u>
Write-down January 1, 1982	<u>(35,481,712)</u>
Investment in LAMCO as of January 1, 1982	<u>\$ 1</u>

Since the write-down of the investment in LAMCO, LIO has recovered through December 31, 1985 the aggregate principal amount of \$9,900,000 in respect of the redemptions of Series C preferred stock. Simultaneously with the redemptions, the accrued but unpaid dividends on such preferred stock to the redemption dates were renounced, including the amount of \$2,552,347 accrued at December 31, 1981 as shown above. In addition, LIO has received through December 31, 1990 dividends on the Class B common stock aggregating \$32,280,821, including the adjustment at December 31, 1981 for changes in equity in the undistributed earnings of LAMCO attributable to the Class B common stock of \$9,657,820 as shown above.

Summary of amounts collected, all of which were unencumbered at December 31, 1990:

Series C preferred stock 6-1/4% redeemed, at cost	\$ 9,900,000
Dividends on Class B common stock	32,280,821
Repayment by LAMCO of capital obligation	12,855,662
Distribution of capital in excess of par value of common stock of LAMCO	<u>2,250,000</u>
TOTAL	<u>\$57,286,483</u>

### NOTE 3

#### LAMCO PREFERRED STOCK REDEMPTIONS

LAMCO effected the final redemption of its preferred stock on December 2, 1985 when the remaining \$6,050,000 of Series C preferred stock held by LIO was redeemed. Simultaneously with and contingent upon such redemption, LIO and the other preferred stockholders renounced the dividends accruing between July 31, 1984 and December 2, 1985 which amounted to \$2,179,000 of which \$512,569 was owed to LIO. In consideration of Gränges AB and The Swedish

Lamco Syndicate, Gränges AB & Co, Handelsbolag (the Syndicate) agreeing not to require repayment of operating loans made to LAMCO and guaranteed by Gränges AB and the Syndicate which would render LAMCO unable to redeem such Series C preferred stock, LIO guaranteed repayment to Gränges AB and the Syndicate of up to an aggregate of \$6,050,000 in reimbursement of advances which might be made by them in respect of guarantees given on loans to LAMCO. The redemption resulted in a recovery of \$6,050,000 in 1985 as the investment previously had been written down. However, as a result of its guarantee, LIO set aside in a special reserve the proceeds of the redemption so that they would be available should it be called to perform under its guarantee which was to terminate at the earlier of (i) December 31, 1991, or (ii) the date LAMCO repaid the loans made to it, or (iii) the date LIO paid an aggregate of \$6,050,000 under its guarantee. Therefore, the redemption had no effect on LIO's income except that the related capital gains tax amounting to \$305,375 was charged to income. Due to repayments made by LAMCO during 1986 of such operating loans the special reserve for guarantee maintained by LIO was reduced by \$1,402,825 and such amount was taken into income by LIO in the second quarter of 1986. LAMCO repaid the balance of the operating loans on January 9, 1989. As a result of the repayment, the \$4,647,175 remaining in the special reserve was released and was taken into income by LIO in the first quarter of 1989.

### NOTE 4

#### TAXATION

LIO was incorporated under the Companies Act of Canada and was continued on December 1, 1980 under the Canada Business Corporations Act. In accordance with Canadian tax regulations, all business income of LAMCO earned in Liberia and paid as a dividend to LIO is exempt from Canadian tax.

LIO is subject to Canadian and provincial corporate taxes on its taxable income derived from interest income less normal business expenses.

LIO's income for Canadian tax purposes differs from its net profit for financial statement purposes as indicated below. The following is the determination of LIO's taxable income and income taxes:

	1990	1989
Profit before income taxes _____	\$33,343,478	\$11,862,449
Items not included in determination of taxable Canadian income:		
Dividends _____	( 16,509,866)	( 5,721,201)
Repayment by LAMCO of capital obligation previously written down _____	( 12,855,662)	
Distribution of capital in excess of par value of common stock of LAMCO _____	( 2,250,000)	
Reduction of reserve for guarantee issued _____		( 4,647,175)
Realized capital losses in respect of marketable securities sold or called for redemption _____	1,634,509	48,659
Unrealized capital (gains) less capital losses in respect of marketable securities _____	( 250,994)	132,473
Unrealized exchange losses less exchange (gains) in respect of marketable securities and cash _____	89,118	( 430,237)
Other _____	1,951	2,820
Taxable income _____	<u>\$ 3,202,534</u>	<u>\$ 1,247,788</u>
Taxes (43.84% in 1990; 43.84% in 1989) _____	\$ 1,403,991	\$ 547,030
Tax on capital gains net of capital losses _____	124,818	
Large corporations tax _____	118,377	5,747
Tax payment (refund) in respect of prior years _____	2,232	( 9,695)
Income taxes provided _____	<u>\$ 1,649,418</u>	<u>\$ 543,082</u>

**NOTE 5****MARKETABLE SECURITIES**

The market value of the portfolio of high quality Canadian preferred shares listed on Canadian stock exchanges amounted to \$426,100 (cost – \$660,842) at December 31, 1990 and \$15,706,361 (cost – \$16,179,602) at December 31, 1989 and are valued at lower of cost or market. The majority of the Canadian preferred shares were sold during the year.

Current receivables and current liabilities have been translated at year-end exchange rates. Any resulting unrealized foreign exchange losses or gains have been recorded in income.

**NOTE 6****INCOME**

LIO's income consists of the following:

	1990	1989
Dividend from LAMCO _____	\$15,456,989	\$4,623,832
Dividends on marketable securities _____	1,052,877	1,097,369
Interest earned _____	3,966,201	1,965,882
Fee for guarantee issued _____		1,549
	<u>\$20,476,067</u>	<u>\$7,688,632</u>

## FIVE-YEAR SUMMARY STATEMENT OF PROFIT

(Expressed in thousand United States dollars, except for per share amounts)	Year ended December 31,				
	1990	1989	1988	1987	1986**
Income _____	\$20,476	\$ 7,689	\$ 2,409	\$9,112	\$6,416
Expenses _____	( 766)	( 722)	( 453)	( 362)	( 331)
Income before adjustments for the following items _____	19,710	6,967	1,956	8,750	6,085
Exchange gains less exchange losses _____	( 89)	430	525	193	91
Realized capital (losses) less capital gains in respect of marketable securities sold or called for redemption _____	( 1,635)	( 49)	( 106)	( 129)	( 14)
Unrealized capital gains less capital (losses) in respect of marketable securities _____	251	( 132)	( 132)	( 93)	( 76)
Repayment by LAMCO of capital obligation previously written down _____	12,856				
Distribution of capital in excess of par value of common stock of LAMCO _____	2,250				
Recovery (increase) of time deposits pledged to secure LAMCO borrowings _____			8,655	( 7,200)	1,845
Reduction of reserve for guarantee issued _____		4,647			1,403
Profit before appropriation and income taxes _____	33,343	11,863	10,898	1,521	9,334
Canadian income taxes _____	( 1,649)	( 543)	( 597)	( 681)	( 348)
Net profit _____	<u>\$31,694</u>	<u>\$ 11,320</u>	<u>\$10,301</u>	<u>\$ 840</u>	<u>\$8,986</u>
Net profit per share* _____	<u>\$ 8.01</u>	<u>\$ 2.86</u>	<u>\$ 2.60</u>	<u>\$ 0.21</u>	<u>\$ 2.27</u>

\*Based on 3,955,025 shares outstanding

\*\*Reclassified for comparative purposes

## FIVE-YEAR STATEMENT OF RETAINED EARNINGS (DEFICIT)

(Expressed in thousand United States dollars)	Year ended December 31,				
	1990	1989	1988	1987	1986
Net profit _____	\$31,694	\$11,320	\$10,301	\$ 840	\$ 8,985
Retained earnings (deficit) at beginning of year _____	13,325	2,005	( 8,296)	( 9,136)	( 18,121)
Retained earnings (deficit) at end of year _____	<u>\$45,019</u>	<u>\$13,325</u>	<u>\$ 2,005</u>	<u>(\$ 8,296)</u>	<u>(\$ 9,136)</u>



**LIBERIAN IRON ORE LIMITED**

**1990**