Lake Ontario Cement Limited
Annual Report 1983

FRONT COVER:
The M/V "Stephen B. Roman" makes its first trip on Lake Ontario.

Mrs. Stephen B. Roman formally rededicates the M/V "Stephen B. Roman" at Collingwood in June, 1983. Left to right: Stephen B. Roman, Chairman of the Board; The Honourable Paul Martin; Mrs. Roman; John D. Fowler, President and Chief Executive Officer.

ADVANCES IN TRANSPORTATION

July, 1983 marked a significant advance in Lake Ontario Cement Limited's capability to transport bulk cement on the Great Lakes.

At that time, the Corporation took delivery of the bulk cement carrier, the M/V "Stephen B. Roman", which then began serving the Great Lakes markets after its formal recommissioning at Collingwood, Ontario the previous month. The 8,500-ton capacity ship was rededicated by Mrs. Stephen B. Roman. Mr. Stephen B. Roman is the Chairman of the Board of Lake Ontario Cement Limited, and Chairman and Chief Executive Officer of Denison Mines Limited.

The carrier uses the latest loading and unloading technology, and is one of the most efficient and modern cement carriers operating in North America. It will significantly contribute to the Corporation's programs to achieve cost efficiencies in all aspects of its operations.

The new carrier, owned by the Corporation, joins two other leased vessels that carry Lake Ontario Cement products to market. The M/V "Stephen B. Roman" adds a new and significant dimension to the Corporation's long-term commitment to supply the Great Lakes region with quality products at competitive prices.

Lake Ontario Cement Limited

Lake Ontario Cement Limited is the only Canadian-controlled public cement company. Through its three major operating groups — Cement, Pipe and Building Products — the Corporation operates 28 plants in Ontario, Quebec, Michigan and New York State, producing and marketing cement, ready-mixed concrete, concrete block, brick and pipe, and a variety of pre-cast concrete products for sewer and water systems. Denison Mines Limited, a major Canadian resource company, holds approximately 54% of the outstanding shares of the Corporation.

Financial highlights

for the year ended December 31	1983	1982
Financial		
Sales	**$120,744,556**	$102,509,487
Net earnings for the year	**2,540,246**	810,070
Funds provided from current operations	**7,295,080**	6,428,506
Capital expenditures	**9,768,819**	5,158,621
Working capital	**25,099,596**	24,925,820
Long-term debt (non-current portion)	**34,656,211**	30,519,892
Shareholders' equity	**43,816,167**	43,429,151
Per common share		
Net earnings	**$0.59**	$0.19
Funds provided from current operations	**1.69**	1.49
Dividends	**0.50**	0.50
Shareholders' equity	**9.22**	9.13
Statistical data		
Number of common shareholders	**2,394**	2,645
Number of common shares outstanding	**4,306,461**	4,306,461

Quarterly sales and net earnings
(dollars in thousands except per share)

	Sales		Net earnings or (loss)		Net earnings or (loss) per share	
	1983	1982	**1983**	1982	**1983**	1982
1st quarter	**$ 15,333**	$ 13,420	**$(2,928)**	$(3,190)	**$(0.68)**	$(0.74)
2nd quarter	**30,565**	28,653	**1,054**	449	**0.25**	0.10
3rd quarter	**41,112**	33,095	**1,994**	1,750	**0.46**	0.41
4th quarter	**33,734**	27,341	**2,420**	1,801	**0.56**	0.42
	$ 120,744	$ 102,509	**$ 2,540**	$ 810	**$ 0.59**	$ 0.19

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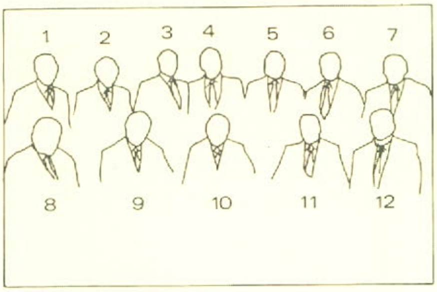
Report to shareholders



Key to Board of Directors

1. Franklin Rittmueller
2. Donald J. Matthews
3. Rudolph P. Bratty, Q.C.
4. Richard H. Grimm
5. G. Ernest Jackson
6. Edward P. Curtis, Jr.
7. Denis R.T. White
8. E. Bruce McConkey
9. John D. Fowler
10. Stephen B. Roman, *Chairman*
11. Charles D. Parmelee
12. John A. Mullin, Q.C.

A moderate economic recovery was evident during 1983 and its impact has resulted in improved sales volumes and earnings over the previous year. Improved profitability, however, was tempered by severe price competition in a number of markets and accompanying declines in gross profit margins. These negative factors were partly offset by the Corporation's ongoing programs to effect cost reductions and to achieve higher productivity. Lower interest expense during the year also was significant in improving earnings.

Consolidated sales amounted to $120,744,556 for the 12 months ended December 31, 1983, an increase of 18% from $102,509,487 in the previous year. Consolidated net earnings for 1983 were $2,540,246 ($0.59 per share), compared with $810,070 ($0.19 per share) in 1982. The 1983 earnings represent an increase of 214% over the previous year.

While there was a pronounced recovery of consumer spending in Canada in 1983, and an advance in residential housing activity, Canadian construction levels, in general, failed to make worthwhile gains from the lows of the recent recession. Construction activity in the United States rebounded more strongly in most market segments and regions.

Cement shipments by the Corporation in 1983 improved by 9% from the low levels of 1982. This recovery was most pronounced in Michigan where demand rose by 11% from the previous year when total industry sales were at a 37-year low. The western New York State market, which had been less severely affected by the recession, showed an increase in cement demand of about 5% in 1983 over 1982. Cement shipments in Ontario were little changed from the previous year. The total volume increase in 1983, coupled with cost reductions and improved productivity, helped the Cement Group improve its profit margins in the face of selling price competition.

There was a sharp improvement in shipments by the Building Products Group, reflecting in part the impact of the acquisition of the ready-mixed concrete business of KVN in late 1982. However there was a strain on margins, caused in large part by very intense price competition for ready-mixed concrete, particularly in the Metropolitan Toronto and Ottawa markets.

The Pipe Group also achieved higher shipments during the year. While selling prices were under pressure in the Ontario market, the Group was successful in realizing cost reductions to help maintain profit margins.

Business Outlook

There is reason for confidence that the moderate economic recovery of 1983 will prove to be the turning point from the 1981-82 recession. It is anticipated that further recovery in 1984 will be supported by renewed consumer confidence and spending, by manageable inflation and stable interest rates, by improving business output and employment and by a gradual rise in construction activity.

In the Corporation's markets, the prospects for improved cement sales volumes and selling prices vary. Overall, residential housing activity which rebounded in 1983 should stabilize, while some improvement is expected in commercial and industrial construction activity throughout all our market areas.

A negative factor affecting our 1984 outlook in the United States is protectionist legislation enacted by the U.S. Congress. The Corporation remains concerned over the "Buy America" provisions of the U.S. Surface Transportation Assistance Act of 1982. This Act prohibits the use of Canadian cement in U.S. federally-funded highway and bridge construction programs. The Corporation will continue its efforts to minimize and overcome any detrimental effects of this legislation on our U.S. activities.

In Ontario a modest increase in cement demand is expected. As well, we foresee a continuing improvement in cement demand in Michigan, the market most severely affected by the recession, and a further moderate improvement in our western New York State market. Sales volume for other products, including ready-mixed concrete and block and brick, is expected to be stable and, hopefully, profit margins will improve from the unsatisfactory levels of 1983. Sales volumes of pipe and related products in 1984 are expected to continue the improvement achieved in 1983.

In general terms, we look forward to more positive market conditions in 1984 and to improved operating results for the Corporation.

Organization and Management

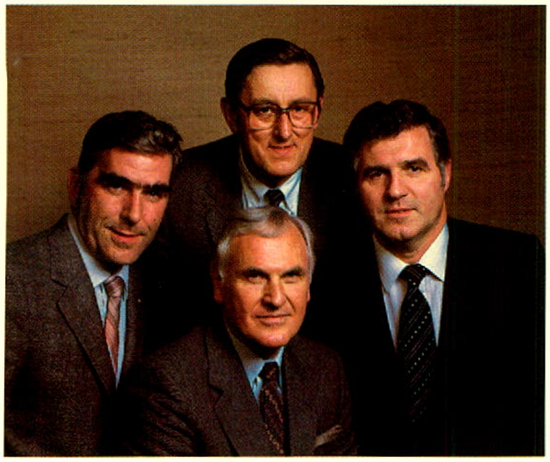
We welcome Mr. Gordon G. Weeks to the Corporation as President of the Building Products Group. Mr. Weeks took up his new position in November, 1983.

As well, we extend our sincere appreciation to two senior managers of the Corporation who retired in 1983. Mr. Robert L. Forde, President of the Corporation's major U.S. subsidiary, Rochester Portland Cement Corp., retired in November, 1983 after 14 years of service. Mr. Charles E. Gibbs, Assistant Treasurer of Lake Ontario Cement Limited, also retired in November after 25 years of service. Both of these individuals made significant contribitions to the Corporation during their careers.

In conclusion, the Board of Directors would like to thank all employees of the Corporation for their dedicated efforts during the year and to acknowledge the confidence and support of our many loyal customers.

J.D. Fowler
President and Chief Executive Officer
January 11, 1984

Strategy and overview



(Clockwise from top:) Ken Bruce, President, The Pipe Group; Gordon G. Weeks, President, The Building Products Group; Joseph S. Pal, President, The Cement Group; John A. Clarke, Vice-President, Cement Manufacturing.

The manufacture of cement and concrete products is the central operation of Lake Ontario Cement Limited, and within this industry the Corporation is pursuing its growth objectives. The long-range outlook for cement is sound and, we believe, offers significant opportunities for profitable operations and for expansion.

In previous decades, the demand for cement — the essential binding agent for all concrete products — mirrored the cyclical but basically bouyant trends of construction activity that accompanied economic growth in North America.

But cement demand appeared to reach a plateau in the 1970's, and was then affected by the severe recession of 1981-82. Now, projections of cement consumption over the next several years point to a substantial recovery, although in several market areas demand is likely to fall short of the historical high levels of the early and mid 1970's. Certain market regions possess the potential for real growth while others, after recovery from the recession, are likely to remain stable, but lacking the strength for long-run growth.

An important factor in the recovery of U.S. cement consumption will be the extensive renovation and replacement of obsolete and outmoded infrastructure, especially through projects in the public construction sector. While the recovery in Canada may be moderate, the overall trend in the U.S. should be more substantial. The Portland Cement Association is projecting total cement consumption in the United States of 89.8 million tons by 1986. This contrasts with 1982 consumption of 65.5 million tons and is comparable to the high levels of 1973 and 1979.

The eastern Great Lakes region of North America — encompassing the Corporation's Ontario, New York and Michigan markets — is emerging from the recent recession as a reliable, mature market area. It will remain an important and vital region, strategically located in North America's industrial heartland.

In addition to these market trends, the cement industry has undergone an important structural change over the past few years. Rationalization has quickened during the recession, confirming a trend that began

BOARD OF DIRECTORS

PRESIDENT

THE CEMENT GROUP
- Lake Ontario Cement *(division)*
- Aetna Cement Corporation *(subsidiary)*
- Rochester Portland Cement Corp. *(subsidiary)*

THE PIPE GROUP
- Bestpipe *(division)*
- Duracon *(division)*
- Utility Vault Company of Canada Limited *(subsidiary)*
- Vibrapipe Ltée. *(subsidiary)*

THE BUILDING PRODUCTS GROUP
- Premier Concrete *(division)*
- Primeau Argo *(division)*
- KVN Concrete *(division)*

CORPORATE OFFICES

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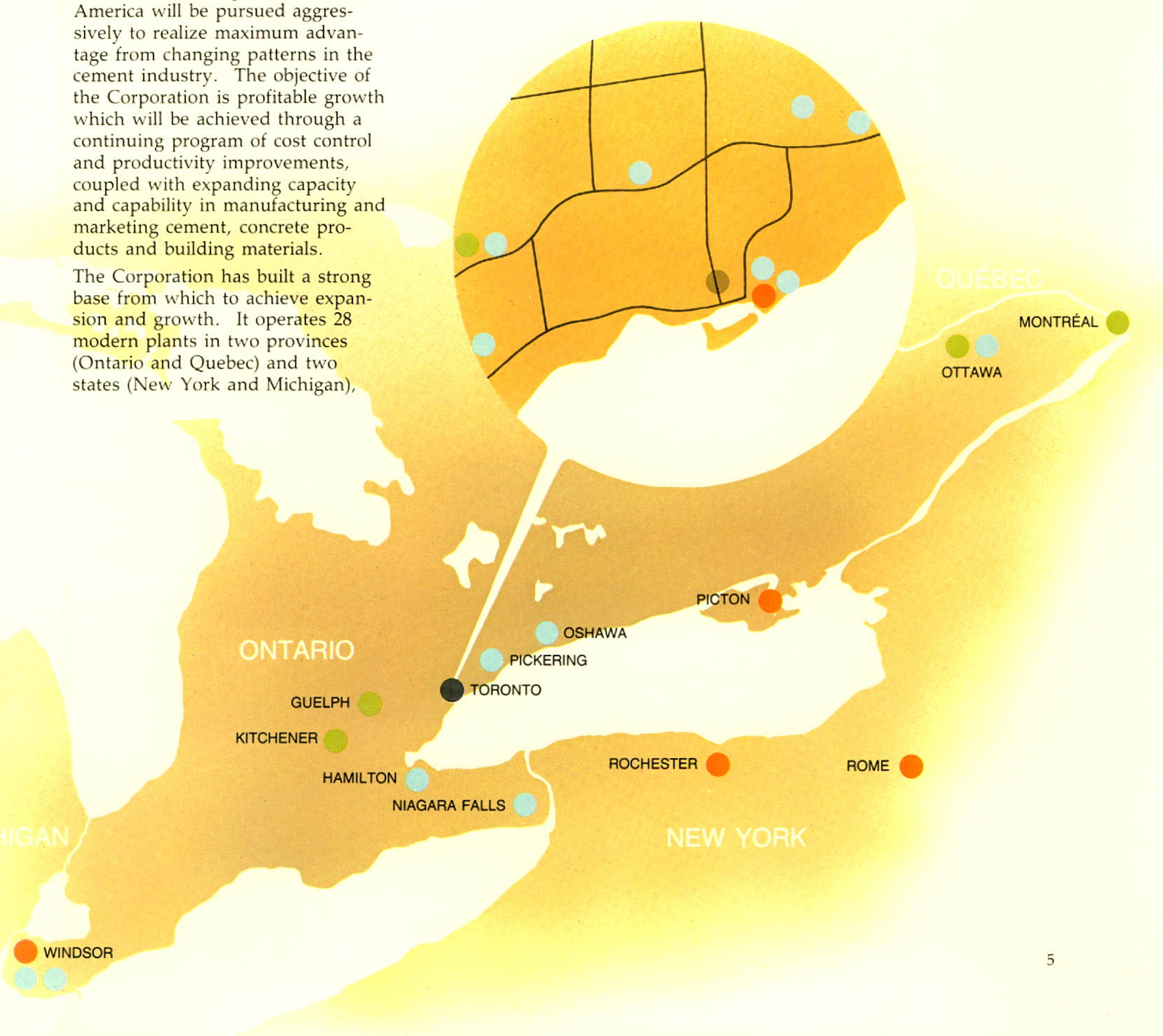
earlier toward larger, more efficient manufacturing plants and fewer, larger cement companies. Another significant factor is the introduction of protectionist measures by the U.S. Congress which militate against Canadian-based operations.

In planning for growth, the Corporation is sensitive to these changing factors. The policy of expanding product range and geographic market areas and seeking the acquisition of sound companies in North America will be pursued aggressively to realize maximum advantage from changing patterns in the cement industry. The objective of the Corporation is profitable growth which will be achieved through a continuing program of cost control and productivity improvements, coupled with expanding capacity and capability in manufacturing and marketing cement, concrete products and building materials.

The Corporation has built a strong base from which to achieve expansion and growth. It operates 28 modern plants in two provinces (Ontario and Quebec) and two states (New York and Michigan), anchored by one of the largest cement manufacturing plants on the continent, at Picton. These strategic locations in the Great Lakes region are enhanced by a large and efficient transportation capability to move product economically. In addition, the Corporation has followed a course of careful cost and financial controls to maintain a strong balance sheet, and has a management group well experienced in the industry — essential to the achievement of sound and profitable expansion.

The overall prospect for growth is a positive one. The Corporation is strongly positioned — in manufacturing, transportation, marketing resources, and financial strengths — to take advantage of developing opportunities in the North American cement and building materials industry.



Review of operations

THE CEMENT GROUP

The Cement Group manufactures and supplies cement for markets in Ontario, western New York and Michigan, with manufacturing centred at Picton, Ontario, near the eastern end of Lake Ontario. The Picton plant, one of the largest in North America, ships directly to customers and, as well, ships through various distribution depots.

Shipments by the Cement Group improved in 1983 over the previous year. Profit margins were protected by cost reductions and greater efficiencies, and the Group, overall, was able to compete effectively in the Corporation's markets.

Cement consumption in Ontario remained relatively flat during 1983, and showed no marked change from the depressed level of 1982 when the recession affected housing, heavy construction and industrial and commercial building activity. In 1983, severe price competition developed as U.S. suppliers aggressively entered parts of the Ontario market.

Substantial cost reductions have been realized in manufacturing over the past year. As well, overall efficiency of the Cement Group has improved by the addition of the M/V "Stephen B. Roman".

In Michigan, Aetna Cement Corporation, a wholly-owned subsidiary of Lake Ontario Cement Limited, produces Portland and masonry cements from clinker shipped from Picton. The Aetna facility is located at Essexville, Michigan some 90 miles north of Detroit.

In this market, recovery became evident in 1983, and total cement demand during the year rose approximately 11% from 1982 when demand declined to a 37-year low. At the same time, cement prices began to improve and shipments by Aetna Cement rose in parallel with the general recovery.

Rochester Portland Cement Corp., a wholly-owned subsidiary with operations in Rochester and Rome, New York, obtains product from Picton for shipment to the western New York State market.

Cement shipments in western New York State increased in 1983 over the prior year, reflecting a moderate improvement in overall cement consumption of approximately 5%. This market was less affected by the

C

B

A

The M/V "Stephen B. Roman" provides improved service to market areas in the Great Lakes. It is shown carrying cement from the Picton, Ontario plant (A), unloading at the Cherry Street facility in Toronto (B), and at Oswego, New York (C).

1981-82 recession than the Michigan market and, generally, continues to be a stable, reliable market rather than one likely to show substantial growth. During the year, cement prices were adversely affected as inroads into the market were made by suppliers shipping from eastern Pennsylvania and eastern New York State.

The following estimates indicate the improved market in our three main market areas.

Total Cement Demand (000 tons)

	1982 Actual	1983 Estimated	1984 Estimated
Ontario	2,267	2,230	2,320
Western New York	785	825	870
Michigan	1,371	1,520	1,750

Shipments of cement by the Group in 1984 should continue to show a cyclical improvement. In Ontario, it is expected that the 1983 increases in residential housing activity will level out in 1984, while industrial and commercial building may gain slightly. In Michigan, shipments are anticipated to make further advances in 1984. A moderate increase in tonnage is also expected in western New York State, along with improved profit margins.

There is concern, however, over the ''Buy America'' provisions of the U.S. Surface Transportation Assistance Act which prohibits the use of Canadian cement in highway and bridge projects funded by the U.S. federal government. The impact of this protectionist legislation has been limited in its severity in 1983 but is expected to be more detrimental to the Cement Group in 1984 and beyond. Assuming the ''Buy America'' provisions continue to be limited to federal highway and bridge projects, it has been estimated that approximately 5% of the total cement consumed annually in the United States will be used on projects funded by this legislation. In substance, this means that the Cement Group may not be able to take full advantage of this additional market.

Lake Ontario Cement Limited's largest pipe, measuring 120 inches in diameter, is produced at Bestpipe's Kitchener plant for use in sewer systems.

THE PIPE GROUP

The Pipe Group operates five plants at Kitchener, Guelph, Metcalfe and Mississauga in Ontario, and at Blainville, Quebec. It manufactures concrete pipe and fittings, manholes and catchbasins, and precast reinforced box sections for culverts, storm sewers, small bridge replacements and water course relocations.

The Group includes the operations of Bestpipe and Duracon (divisions) and of Vibrapipe Ltée and Utility Vault Company of Canada Limited (wholly-owned subsidiaries).

While some regional variations were evident, overall shipments of concrete pipe and related products for the Pipe Group showed a significant improvement in 1983 compared with the previous year. Because of intense price competition, profit margins were adversely affected, but this impact was more than offset by improved productivity and reduced expenses.

The market should show improvement in 1984 based on the turnaround in both residential and commercial construction activity. Accordingly, it is expected that there will be reasonable increases in shipments of pipe and manholes. With those increases and because of continuing productivity improvements, the Group expects to realize improved profit margins.

In line with the objective of developing new product opportunities, a new product line ''Flat Bed Bestseal Pipe''was introduced by the Group in 1983. It represents a significant advance in concrete pipe, with features superior to those of conventional round pipe, including more economical utilization in water and sewer facilities. As well, the pipe provides improved quality and ease of installation.

Utility Vault's volume is expected to rise moderately in 1984 reflecting a more buoyant demand for vaults. In addition, the Group is actively developing new vault product lines to replace existing "cast in place" installations.

THE BUILDING PRODUCTS GROUP

The Building Products Group manufactures and sells ready-mixed concrete, concrete block and calcite (concrete) brick. It produces ready-mixed concrete at 10 facilities in Ontario and manufactures concrete block and calcite brick at three facilities in Metropolitan Toronto and one in Windsor, Ontario.

Sales volume for the Group improved in 1983 over 1982. Ready-mixed concrete sales were particularly strong, in large part as a result of the acquisition of the concrete business of KVN in November, 1982. However, profit margins were adversely affected by severe price competition, particularly in the Metropolitan Toronto and Ottawa markets. Other ready-mixed concrete markets served by the Group remained somewhat depressed.

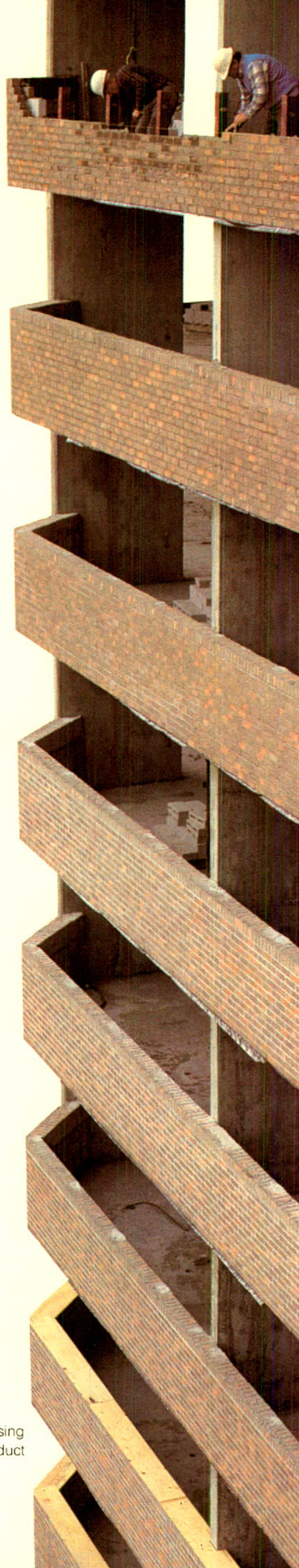
KVN Concrete has been successfully integrated into the Group's operations in the Metropolitan Toronto market. The acquisition has proved to be beneficial and has enhanced the Group's strong position in this major market area. In addition, this integration has brought about a higher level of efficiency through rationalization of administration, maintenance and trucking operations.

Sales of block and brick, concentrated mainly in the Greater Toronto region, improved in 1983. Volumes of both products benefited from improvement in residential housing in Ontario, where housing starts grew from a level of 38,500 units in 1982 to approximately 55,000 units in 1983. At the same time, calcite brick made substantial new inroads into the traditional clay brick markets. Calcite brick continues to enjoy greater acceptance as a building material and is benefiting from demand associated with increases in housing activity. While volume in 1983 improved, operating margins were adversely affected by aggressive price competition.

Ready-mixed concrete volume and profit margins are expected to make a moderate recovery in the Metropolitan Toronto and Ottawa markets in 1984. There should be a modest recovery in Hamilton and other Ontario markets.

Prospects are mixed for concrete block and brick markets in 1984. Residential housing activity is expected to continue at 1983 levels while industrial and commercial building is expected to advance moderately. The outlook remains positive for the increasing acceptance of the Group's block and brick products in the marketplace.

With the anticipated modest improvement in market volume coupled with cost reduction programs in place and the efficiencies realized from the KVN Concrete integration, the Group anticipates improved profitability in 1984.



Calcite brick is used as the exterior surface for this major apartment building in Toronto. This product is gaining increasing acceptance as a superior product in the construction industry.

LAKE ONTARIO CEMENT LIMITED

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting of the shareholders of LAKE ONTARIO CEMENT LIMITED (the "Corporation") will be held in the Territories Room, Main Mezzanine Floor, Royal York Hotel, 100 Front Street West, Toronto, Ontario, on Tuesday, the 14th day of February, 1984 at the hour of 11:00 a.m. (Eastern Standard Time) for the following purposes:

1. To receive the financial statements of the Corporation for the year ended December 31, 1983 together with the reports of the directors and auditors thereon;

2. To elect directors;

3. To appoint auditors and to authorize the directors to fix their remuneration; and

4. To transact such further or other business as may properly come before the meeting or any adjournment thereof.

DATED at Toronto, Ontario this 11th day of January, 1984.

By Order of the Board,

J. S. COWAN,
Secretary

We ask that you promptly sign, date and return the enclosed proxy in the enclosed return envelope if it is not your intention to be present at the meeting.

MANAGEMENT PROXY CIRCULAR

SOLICITATION OF PROXIES

This management proxy circular is furnished in connection with the solicitation of proxies by the management of LAKE ONTARIO CEMENT LIMITED (the "Corporation") for use at the annual meeting of shareholders of the Corporation to be held on Tuesday, February 14, 1984 at 11:00 a.m. (Eastern Standard Time) in the Territories Room, Main Mezzanine Floor, Royal York Hotel, 100 Front Street West, Toronto, Ontario, and at any adjournment thereof. Solicitation of proxies will be primarily by mail. If proxies are solicited by management otherwise than by mail, such solicitation will be carried out personally by directors or officers of the Corporation. The cost of such solicitation will be borne by the Corporation.

EXERCISE OF DISCRETION BY PROXIES

Shares represented by properly executed proxies in favour of the persons designated in the printed portion of the enclosed form of proxy will be voted or withheld from voting, as specified therein, on any ballot that may be called for and, where the shareholder specified a choice with respect to any matter to be acted upon, such shares will be voted in accordance with any specification so made. **In the absence of such specification, such shares will be voted for the election of directors, the appointment of auditors and the granting of authority to the board of directors to fix the auditors' remuneration as stated under the headings "Election of Directors" and "Appointment of Auditors" in this circular.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations, if any, to matters identified in the notice of meeting and with respect to other matters, if any, which may properly come before the meeting. The management of the Corporation knows of no such amendments, variations or other matters to come before the meeting.

REVOCATION OF PROXIES

Proxies given by shareholders for use at the meeting may be revoked at any time prior to their use. In addition to revocation in any other manner permitted by law, a shareholder giving a proxy may revoke the proxy by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal, or by an officer or attorney thereof duly authorized, and deposited either at the head office of the Corporation at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of such meeting on the day of the meeting, or adjournment thereof, and upon either of such deposits the proxy is revoked.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation presently has outstanding 4,306,461 common shares (the "Shares"). There is no other class of shares outstanding. Each shareholder recorded on the list of shareholders of the Corporation prepared as of the day immediately preceding the day of mailing of the notice accompanying this circular is entitled to one vote for each Share held by such shareholder as shown on such list except to the extent that the shareholder transfers ownership of any such Shares after the date as of which the shareholder list was prepared and the transferee establishes that he owns the Shares and requests the Secretary in writing not later than two days before the meeting to be recorded on the list.

As of December 31, 1983 Denison Mines Limited beneficially owned, directly or indirectly, 2,309,504$^{4}/_{10}$ Shares of the Corporation being 53.63% of the outstanding Shares of the Corporation. To the knowledge of the directors and officers of the Corporation, as at December 31, 1983 no other corporation or person beneficially owned or exercised control or direction over Shares carrying more than 10% of the votes attached to the outstanding Shares of the Corporation.

ELECTION OF DIRECTORS

The Board consists of 12 directors, all of whom are to be elected annually. The following indicates the names of all persons proposed to be nominated for election as directors, all major positions and offices presently held by them with the Corporation or its significant affiliates and their principal occupations or employments, the periods during which they have served as directors of the Corporation and the approximate number of Shares of the Corporation and shares of Denison Mines Limited beneficially owned or over which control or direction is exercised by such nominees.

Name	Office and Principal Occupation	Director Since	Shares of the Corporation Owned or Controlled	Shares of Denison Mines Limited Owned or Controlled
Rudolph P. Bratty, Q.C.	Partner, Gambin, Bratty, Barristers and Solicitors	1977	–	–
Edward P. Curtis, Jr.	President, Genesee Public Affairs Inc. (public affairs consultants)	1974	100	–
*John D. Fowler	President and Chief Executive Officer of the Corporation; Chairman of the Board, Aetna Cement Corporation; Chairman of the Board, Rochester Portland Cement Corp.	1971	3,100	–
Richard H. Grimm	Director, Professional Tournaments, Royal Canadian Golf Association	1983	–	–
G. Ernest Jackson	Senior Vice-President, Reed Stenhouse Limited (insurance brokers)	1980	100	–
*Donald J. Matthews	Chairman, Matthews Group Limited (land development and building construction company)	1977	–	10,500 common
E. Bruce McConkey	Vice-Chairman, Denison Mines Limited (mining and oil & gas production)	1965	–	6,000** common
*John A. Mullin, Q.C.	Partner, Fraser & Beatty, Barristers and Solicitors	1962	2,000**	1,100** common
Charles D. Parmelee	Vice-Chairman of the Board of the Corporation; Executive Vice-President, Denison Mines Limited	1972	–	–
Franklin Rittmueller	Chairman, Frankenmuth Bank and Trust; Chairman, President and Chief Executive Officer, Peoples Banking Corporation	1979	–	–
Stephen B. Roman	Chairman of the Board of the Corporation; Chairman of the Board and Chief Executive Officer, Denison Mines Limited	1974 and 1961 to 1965	–	815,244*** common
Denis R.T. White	Senior Vice-President, Administration and Finance of the Corporation	1980	5,010	100 common

*Member of Audit Committee.

**In addition, Mr. McConkey and Mr. Mullin are two of four executors of an estate holding 46,756 common shares of Denison Mines Limited and they are two of four executors of another estate holding 4,000 common shares of Denison Mines Limited. In addition, Mr. Mullin is one of three trustees of four separate trusts which hold 3,200 Shares of the Corporation and a majority of the equity shares of Sagamore Explorations Limited which holds 72,000 common shares of Denison Mines Limited.

***Roman Corporation Limited, which is an associate of Stephen B. Roman, was as of December 31, 1983 the beneficial owner of 7,418,297 common shares of Denison Mines Limited which represent approximately 36.3% of the outstanding common shares of such corporation.

Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the meeting **the persons named in the enclosed form of proxy reserve the right to vote for any other nominee of management.** Each director elected will hold office until the next annual meeting or until a successor is appointed or elected. All of the proposed nominees are now members of the Board of Directors and have been since the dates indicated.

REMUNERATION OF MANAGEMENT AND OTHERS

The aggregate remuneration paid or payable in respect of the financial year ended December 31, 1983 by the Corporation and its subsidiaries to the directors and senior officers of the Corporation is indicated below. The amounts shown under "Remuneration of Directors" include all remuneration from the Corporation and its subsidiaries except that in respect of service as officers of the Corporation. "Remuneration of Officers" includes all remuneration (except that in respect of service as directors) received by senior officers from the Corporation and its subsidiaries. For this purpose, a "senior officer" means an officer of the Corporation who received in his capacity as an officer or employee aggregate remuneration in excess of $40,000 from the Corporation and its subsidiaries.

NATURE OF REMUNERATION EARNED

	Directors' Fees	Salaries	Bonuses	Non-Accountable Expenses	Other	Total
REMUNERATION OF DIRECTORS (A) Number of directors: 12 (B) Corporation incurring the expense: Lake Ontario Cement Limited	$115,583					$115,583
REMUNERATION OF OFFICERS (A) Number of senior officers: 8 (B) Corporation incurring the expense: Lake Ontario Cement Limited		$542,218				$542,218
Totals	$115,583	$542,218	NIL	NIL	NIL	$657,801

The estimated aggregate cost to the Corporation and its subsidiaries in the financial year ended December 31, 1983 of all pension benefits to be paid under a pension plan of the Corporation in the event of retirement at normal retirement age to the directors and senior officers of the Corporation was $9,900.

APPOINTMENT OF AUDITORS

Management proposes to nominate Coopers & Lybrand, the present auditors, as auditors of the Corporation to hold office until the next annual meeting of shareholders at a remuneration to be fixed by the Board of Directors.

APPROVAL OF CIRCULAR

Information contained herein is given as of December 31, 1983. The contents and the sending of this circular have been approved by the directors of the Corporation.

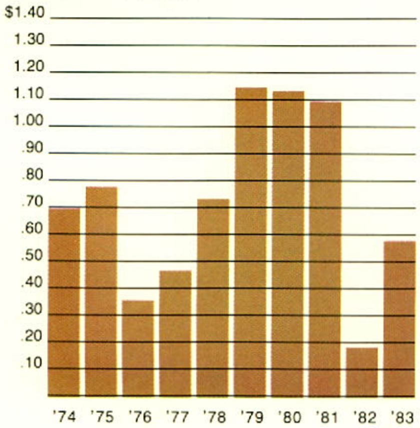
J. S. Cowan,
Secretary

Dated as of December 31, 1983.

Financial review

Net earnings in 1983 improved substantially despite reduced gross profit margins. Factors contributing to this improvement include cost reductions, higher productivity and lower interest expense. Consolidated net earnings in 1983 were $2,540,246 ($0.59 per share) compared with $810,070 ($0.19) per share in 1982.

NET EARNINGS PER SHARE



The Corporation has taken action to significantly reduce its expense base. Market recovery and improving volumes, therefore, will be converted in good part into profit improvement. It is anticipated that there will be a recovery of profit margins in 1984 and a more reasonable and appropriate level of net earnings.

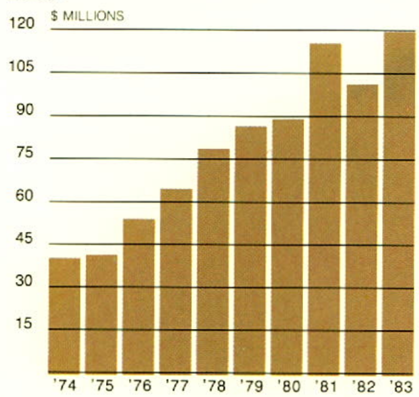
Financial Results

Consolidated sales for 1983 totalled $120,744,556 compared with $102,509,487 in 1982 — an 18% increase. This improvement resulted from higher product shipments in all operating groups and the additional business generated by KVN Concrete which was acquired in November, 1982. Revenues, however, were adversely affected by continuing pressure on selling prices for most products throughout the year. This price pressure directly impacted on gross profit margins. However, programs of productivity improvement and cost reduction initiated in 1982 and continued throughout 1983 partially offset this downward pressure. As a result, the consolidated gross profit percentage declined only marginally from 20% in 1982 to 19% in 1983.

Selling, general and administrative expenses increased 5% over 1982 principally as a result of the acquisition of KVN Concrete. However, these expenses in total declined as a percentage of sales from 12% in 1982 to 11% in 1983.

Interest expense as a percentage of sales declined to 4% in 1983 from 6% in 1982. Overall interest expense was $4,661,665 in 1983 compared to $5,949,332 in 1982. This decrease resulted primarily from reduced lending rates in 1983 and the effective use of a variety of money market instruments.

SALES

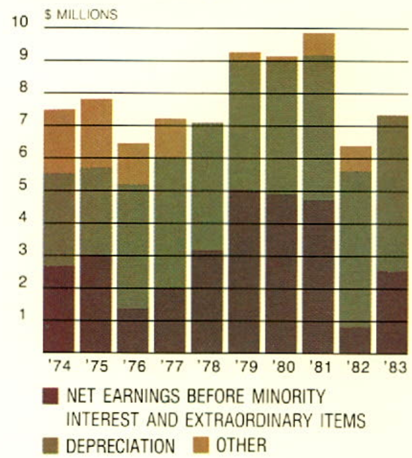


Cash Flow

Cash flow from operations improved marginally in 1983 from the previous year — $7,295,080 compared to $6,428,506.

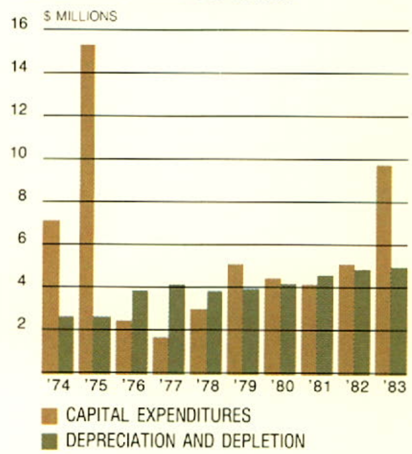
It is expected that there will be an improvement in cash flow from current operations in 1984 arising from improved volumes, greater efficiencies and cost reduction programs that have been implemented, as well as cost benefits from the operation of the new bulk cement carrier.

FUNDS PROVIDED FROM CURRENT OPERATIONS



Capital Expenditures

CAPITAL EXPENDITURES DEPRECIATION AND DEPLETION



Capital expenditures during the year amounted to $9,768,819 compared with $5,158,621 in the previous year. Capital spending was directed to maintaining production facilities as well as to the purchase and conversion of the Corporation's new bulk cement carrier.

The Corporation will continue a policy of limiting capital expenditures to those required to maintain productive capacity and to those that promise productivity gains.

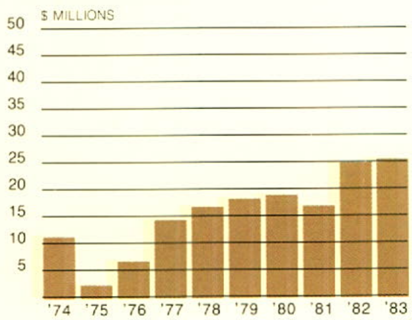
Dividends

Dividend payments during 1983 amounted to $2,153,230, the equivalent of 50 cents per share and were made quarterly at the rate of 12.5 cents per share. This rate has been maintained since 1981.

Working Capital

Working capital at December 31, 1983 was $25,099,596 compared to $24,925,820 at the end of 1982. The Corporation continues to follow a course of prudence in utilizing available cash resources and in improving its working capital position. Increased attention has been focused on reducing investment in inventories and accounts receivable.

WORKING CAPITAL

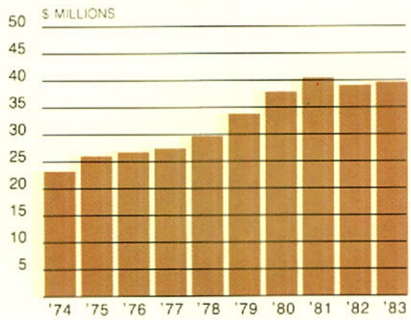


Financial Position

The purchase and conversion of the new bulk cement carrier was financed by additional long-term debt of $8 million in 1983. As a result, the Corporation's long-term debt obligations are $34,656,211.

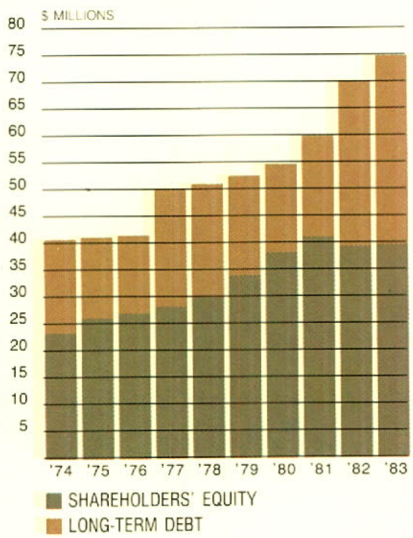
During the year the final payment was made on the promissory note relating to the 1977 acquisition of the cement grinding plant located in Essexville, Michigan.

SHAREHOLDERS' EQUITY



Shareholders' equity at year-end 1983 amounted to $9.22 per share compared to $9.13 per share a year ago. The Corporation has a debt-to-equity ratio of .79 to 1. This favourable ratio helps the Corporation maintain a strong balance sheet and positions the Corporation to take advantage of expansion opportunities, as they develop, to fulfill its commitment to growth.

TOTAL CAPITALIZATION



Lake Ontario Cement Limited

Consolidated Financial Statements

for the year ended December 31, 1983

AUDITORS' REPORT

To the Shareholders of Lake Ontario Cement Limited

We have examined the consolidated balance sheet of Lake Ontario Cement Limited as at December 31, 1983 and the consolidated statements of earnings, 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 consolidated financial statements present fairly the financial position of the Corporation as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,
January 6, 1984

Coopers & Lybrand,
Chartered Accountants

Consolidated balance sheet

as at December 31

	1983	1982
Assets		
Current assets		
Accounts receivable	$ 23,455,605	$ 17,942,584
Inventories (note 2)	23,378,674	23,794,748
Prepaid expenses	1,997,148	1,432,460
	48,831,427	43,169,792
Fixed assets (note 3)	121,562,357	113,688,067
Less: Accumulated depreciation and depletion	56,002,998	52,146,295
	65,559,359	61,541,772
	$114,390,786	$104,711,564

(The accompanying notes are an integral part of these financial statements)

	1983	1982
Liabilities		
Current liabilities		
Bank indebtedness	**$ 7,373,747**	$ 5,376,007
Accounts payable and accrued liabilities	**11,534,439**	9,088,900
Income taxes payable	**2,013,703**	—
Long-term debt due within one year (note 4)	**2,809,942**	3,779,065
	23,731,831	18,243,972
Long-term debt (note 4)	**34,656,211**	30,519,892
Deferred income taxes (note 5)	**12,186,577**	12,518,549
	70,574,619	61,282,413
Shareholders' equity		
Share capital (note 6)	**4,306,461**	4,306,461
Contributed surplus	**4,896,161**	4,896,161
	9,202,622	9,202,622
Retained earnings (note 5)	**34,613,545**	34,226,529
	43,816,167	43,429,151
	$114,390,786	$104,711,564

Signed on behalf of the Board of Directors

C. D. Parmelee, *Director*
J. D. Fowler, *Director*

Consolidated statement of earnings

for the year ended December 31

	1983	1982
Sales	**$120,744,556**	$102,509,487
Cost of sales	**98,336,408**	82,069,127
Gross profit	**22,408,148**	20,440,360
Expenses		
Selling, general and administrative	**13,373,475**	12,706,646
Interest on long-term debt	**3,827,520**	3,999,660
Other interest expense	**834,145**	1,949,672
Loss (gain) on translation of foreign currency	**(94,238)**	169,312
	17,940,902	18,825,290
Operating profit	**4,467,246**	1,615,070
Provision for income taxes	**1,927,000**	805,000
Net earnings for the year	**$ 2,540,246**	$ 810,070
Net earnings per common share	**$0.59**	$0.19

Consolidated statement of retained earnings

for the year ended December 31

	1983	1982
Retained earnings — beginning of year	**$ 34,226,529**	$ 35,569,689
Net earnings for the year	**2,540,246**	810,070
	36,766,775	36,379,759
Dividends	**2,153,230**	2,153,230
Retained earnings — end of year	**$ 34,613,545**	$ 34,226,529

(The accompanying notes are an integral part of these financial statements)

Consolidated statement of changes in financial position

for the year ended December 31

	1983	1982
Source of working capital		
Net earnings for the year	$ 2,540,246	$ 810,070
Depreciation, depletion and amortization	5,086,806	4,795,038
Deferred income taxes	(331,972)	823,398
Funds provided from current operations	7,295,080	6,428,506
Capital lease obligations assumed	320,133	227,785
Long-term debt issued	8,000,000	15,000,000
	15,615,213	21,656,291
Application of working capital		
Fixed assets purchased	9,104,393	4,849,561
Long-term debt repaid	4,183,814	3,655,357
Businesses acquired	—	2,500,000
Dividends paid	2,153,230	2,153,230
	15,441,437	13,158,148
Increase in working capital	173,776	8,498,143
Working capital — beginning of year	24,925,820	16,427,677
Working capital — end of year	$ 25,099,596	$ 24,925,820

(The accompanying notes are an integral part of these financial statements)

Notes to consolidated financial statements

for the year ended December 31, 1983

1. Summary of significant accounting policies

(a) Basis of consolidation

The consolidated financial statements include the accounts of Lake Ontario Cement Limited and all subsidiary companies.

The operations and earnings of businesses acquired are consolidated with those of the Corporation from the dates of acquisition, using the purchase method.

(b) Foreign currency translation

Current assets and liabilities are translated into Canadian dollars at year-end exchange rates. All other assets and liabilities are translated at rates prevailing when the assets were acquired or the liabilities incurred. Sales and expenses are translated at average rates prevailing during the year, except that depreciation, depletion and amortization are translated at historical rates. The gains or losses resulting from these translations are reflected in the statement of earnings.

(c) Inventories

(i) Finished and semi-processed products are stated at the lower of average cost and net realizable value. Cost includes attributable direct costs and overheads other than depreciation.

(ii) Raw materials, fuel supplies and maintenance and repair parts are stated at the lower of cost (generally average cost) and replacement cost.

(d) Depreciation

Assets are depreciated over their estimated useful lives, using the straight-line method, with the rate adjusted for certain categories in accordance with established criteria to reflect variations from normal utilization.

The rates of depreciation used are:

Land improvements	5% to 10%
Buildings and structures	2-1/2% to 10%
Machinery and equipment	5% to 10%
Vehicles and mobile equipment	10% to 20%
Marine transportation equipment	6-2/3%
Leased equipment	16% to 28%

Depletion of mineral deposits is recorded on a unit of production basis using estimated reserves.

2. Inventories

Inventories consist of:

	1983	1982
Finished and semi-processed products	**$12,317,998**	$13,062,146
Raw materials and fuel supplies	**6,061,458**	5,353,126
Maintenance and repair parts	**4,999,218**	5,379,476
	$23,378,674	$23,794,748

3. Fixed assets

(a) Fixed assets consist of:

	1983			1982
	Cost	**Accumulated depreciation and depletion**	**Net**	Net
Owned:				
Land and land improvements	**$ 7,526,298**	**$ 964,550**	**$ 6,561,748**	$ 6,660,762
Mineral properties	**2,852,802**	**830,947**	**2,021,855**	2,027,520
Buildings and structures	**21,752,854**	**8,970,147**	**12,782,707**	13,456,660
Machinery and equipment	**67,154,940**	**35,928,953**	**31,225,987**	32,437,137
Vehicles and mobile equipment	**12,989,576**	**8,817,928**	**4,171,648**	4,625,297
Marine transportation equipment	**8,713,332**	**194,764**	**8,518,568**	1,591,436
Leased:				
Equipment	**572,555**	**295,709**	**276,846**	94,659
Vehicles	—	—	—	648,301
	$121,562,357	**$56,002,998**	**$65,559,359**	$61,541,772

(b) Included in the cost of fixed assets at December 31, 1983 are fully depreciated assets with an original cost of $15,368,480.

4. Long-term debt

Long-term debt consists of:

	1983			1982
	Due within one year	**Long-term portion**	**Total**	Total
9.75% debenture due 1984-1994	**$ 860,000**	**$ 8,620,000**	**$ 9,480,000**	$10,340,000
Term bank loans at optional rates of interest, based on Canadian prime or banker's acceptances, U.S. prime or Eurodollar rates:				
—due 1984-1991—effective rate at December 31, 1983—10.5%	**1,000,000**	**6,500,000**	**7,500,000**	—
—due 1992—effective rate at December 31, 1983—10.7%	**—**	**15,000,000**	**15,000,000**	15,000,000
Demand bank loan at Canadian prime interest rate with repayments scheduled monthly 1984-1987	**744,000**	**1,881,000**	**2,625,000**	3,369,000
Promissory note due 1983, with 9% interest rate (U.S. $950,000)	**—**	**—**	**—**	1,173,250
Term bank loan due 1986, with the interest rate based on U.S. prime or Eurodollar rates. Effective rate at December 31, 1983—11.1% (U.S. $2,000,000)	**—**	**2,100,000**	**2,100,000**	2,100,000
Miscellaneous mortgages and notes due 1984-1990, with interest rates varying between 11.0% and 12.2%	**66,330**	**384,167**	**450,497**	1,663,532
Capital portion of lease obligations due 1984-1986, with the interest rate averaging 15.8%	**139,612**	**171,044**	**310,656**	653,175
	$2,809,942	**$34,656,211**	**$37,466,153**	$34,298,957

The aggregate repayments of principal required to meet debt obligations, other than obligations under capital leases, in each of the next five years are as follows:

1984	$2,670,330
1985	2,666,516
1986	4,749,830
1987	2,304,377
1988	1,917,597

The debenture is payable in annual instalments of $860,000 and is secured by a first mortgage on the manufacturing facility in Picton, by a floating charge on substantially all other property, plant and equipment of the Corporation and by a pledge of the shares of U.S. subsidiary companies.

The $15,000,000 term bank loan is unsecured, but the Corporation has undertaken to provide the lender with security ranking pari passu to any future security that may be given to any other lender, other than for indebtedness incurred to acquire property or equipment. The principal amount is repayable in full at the end of the term or alternatively, at the option of the Corporation, in a series of scheduled amounts over the final six years of the loan.

The $7,500,000 term bank loan is secured by a first mortgage on the Corporation's marine transportation equipment and is repayable in semi-annual instalments of $500,000, commencing November, 1983.

The debenture and the term bank loans require the maintenance of minimum levels of equity and working capital and limit the amount of debt the Corporation may assume. In addition, the agreements providing for such debt allow payment of dividends up to 50% of post-1973 consolidated net income, provided that consolidated net tangible assets are not reduced below a specified level.

The long-term portion of the U.S. debt has been translated to Canadian dollars at the rate of exchange at the date the debt was incurred. If the year-end rate had been used, the long-term portion would have been increased by $400,000.

5. Deferred income taxes

The total deferred income taxes to December 31, 1983 amount to $16,308,577 of which $4,122,000 is not recorded in the accounts. Until December 31, 1967, deferred income taxes were reported by note to the financial statements. On January 1, 1968, the Corporation changed its method and, from that date, has recorded subsequent deferred income taxes in the accounts.

6. Share capital

The Corporation is authorized to issue an unlimited number of common and preferred shares without nominal or par value. At December 31, 1983, 4,306,461 fully paid common shares only were issued and outstanding.

7. Commitments and contingencies

The Corporation has entered into a number of lease agreements, mainly for property. The future minimum lease payments under capital and operating leases that have terms in excess of one year as at December 31, 1983 are as follows:

	Capital leases	Operating leases
1984	$180,000	$1,162,000
1985	136,000	906,000
1986	57,000	680,000
1987	—	604,000
1988	—	434,000
Subsequent	—	1,786,000
Total minimum lease payments	373,000	$5,572,000
Less: Amount representing interest	62,000	
Obligations under capital leases	$311,000	

The Corporation has guaranteed the bank indebtedness of a non-associated company to a maximum of $1,000,000.

8. Pension plans

The Corporation has a number of employee retirement pension plans covering substantially all employees. Current service pension costs amounting to $1,015,779 in 1983 ($543,889 in 1982) were charged against earnings and funded based upon the recommendations of independent consulting actuaries. Based on the December 31, 1982 consultants' reports, an actuarial unfunded liability in respect of past service amounting to approximately $1 million is being amortized over varying periods up to twelve years.

9. Segmented information

The Corporation operates in what is considered to be a single industry, namely cement and concrete products. Its products are sold in a limited regional geographic area adjacent to the Great Lakes.

In the geographic analysis data which follows, Canadian information relates to manufacturing and distribution operations for cement and concrete products. United States information relates only to the secondary grinding and distribution of cement.

The profitability of the two geographic segments is affected by the different markets served and the transfer prices established to handle the significant movement of product between the Corporation's Canadian and United States facilities. Management cautions that these figures should not be regarded as an absolute indication of the comparative profitability of the geographic areas in which the Corporation operates.

Geographic analysis for the year ended December 31

	1983	1982
Sale of products to outside customers:		
Canada	$ 83,356,269	$ 70,985,028
United States	37,388,287	31,524,459
Inter-area sales by:		
Canada	38,483,509	27,703,904
United States	121,935	485,887
	159,350,000	130,699,278
Elimination of inter-area sales	38,605,444	28,189,791
Total sales per consolidated statement of earnings	$120,744,556	$102,509,487
Contributions to earnings from:		
Canadian operations	$ 5,184,060	$ 2,966,127
United States operations	(716,814)	(1,351,057)
	4,467,246	1,615,070
Less: Provision for income taxes	1,927,000	805,000
Net earnings	$ 2,540,246	$ 810,070
Identifiable assets analyzed by geographic area:		
Canada	$ 98,261,007	$ 87,811,045
United States	15,259,110	15,944,342
Corporate assets	870,669	956,177
Total assets per consolidated balance sheet	$114,390,786	$104,711,564

Ten year financial summary

Dollars in thousands, except amounts per share	1983	1982	1981
Operating results			
Sales	$120,744	$102,509	$114,925
Cost of sales	98,336	82,069	89,926
Gross profit	22,408	20,440	24,999
Selling, general and administrative expenses	13,373	12,706	10,999
Interest on long-term debt	3,828	4,000	2,772
Other interest	834	1,950	2,757
Loss (gain) on foreign exchange	(94)	169	405
	17,941	18,825	16,933
Operating profit	4,467	1,615	8,066
Provision for income taxes	1,927	805	3,329
Net earnings before the following:	2,540	810	4,737
Minority interest in net earnings of subsidiary company			
Investment income on equity basis			
Extraordinary items			
Net earnings for the year	$ 2,540	$ 810	$ 4,737
Balance Sheet			
Working capital	$ 25,100	$ 24,926	$ 16,428
Fixed assets—net	65,559	61,542	58,987
Long-term debt	34,656	30,520	18,947
Deferred income taxes (2)	16,309	16,640	15,817
Shareholders' equity (2)	$ 39,694	$ 39,307	$ 40,650
Other information			
Funds provided from current operations (1)	$ 7,295	$ 6,428	$ 9,855
Capital expenditures	9,769	5,159	4,125
Depreciation and depletion	5,087	4,795	4,497
Common share price range			
High	9.00	7.00	8.50
Low	$ 6.25	$ 4.55	$ 5.75
Number of common shareholders	2,394	2,645	2,769
Return on average shareholders' equity (1 & 2)	6.4%	2.0%	12.0%
Per common share			
Earnings (1)	$ 0.59	$ 0.19	$ 1.10
Funds provided from current operations (1)	1.69	1.49	2.29
Common dividends	0.50	0.50	0.50
Shareholders' equity (2)	$ 9.22	$ 9.13	$ 9.44

Notes: (1) Before extraordinary items.

(2) After full provision for deferred income taxes—see notes to the financial statements.

1980	1979	1978	1977	1976	1975	1974
$89,346	$88,317	$78,364	$64,641	$54,845	$41,833	$39,398
69,992	69,340	64,186	53,167	44,810	31,469	30,155
19,354	18,977	14,178	11,474	10,035	10,364	9,243
8,148	7,451	6,852	5,756	4,869	3,577	3,152
2,148	2,299	2,277	2,023	1,615	1,553	1,361
843	326	362	637	1,001	(8)	(272)
(117)	88	(382)	(262)	(116)		
11,022	10,164	9,109	8,154	7,369	5,122	4,241
8,332	8,813	5,069	3,320	2,666	5,242	5,002
3,475	3,854	1,902	1,262	1,126	2,045	2,230
4,857	4,959	3,167	2,058	1,540	3,197	2,772
	(16)	(17)	(50)	(55)		
					128	226
575	950					482
$ 5,432	$ 5,893	$ 3,150	$ 2,008	$ 1,485	$ 3,325	$ 3,480

$18,667	$18,503	$16,836	$14,821	$ 6,909	$ 2,393	$10,340
49,263	49,265	48,546	49,126	48,817	48,207	35,604
15,274	17,784	20,245	21,338	15,239	15,698	15,822
14,589	14,467	14,168	14,168	13,146	11,842	9,502
$38,067	$34,573	$30,166	$27,877	$26,730	$26,106	$23,426
$ 9,071	$ 9,326	$ 7,116	$ 7,258	$ 6,386	$ 7,770	$ 7,467
4,469	5,128	3,132	1,848	2,325	15,434	6,724
4,092	4,056	3,937	4,024	3,688	2,769	2,669
7.50	6.25	5.87	3.60	4.20	3.85	4.40
$ 5.00	$ 4.85	$ 3.25	$ 3.05	$ 3.05	$ 2.80	$ 2.30
3,052	3,237	3,598	3,915	4,094	4,187	4,264
13.3%	15.3%	10.9%	7.4%	5.6%	13.4%	15.9%
$ 1.13	$ 1.15	$ 0.73	$ 0.47	$ 0.35	$ 0.77	$ 0.70
2.11	2.17	1.65	1.69	1.48	1.81	1.74
0.45	0.35	0.20	0.20	0.20	0.15	0.12
$ 8.84	$ 8.03	$ 7.01	$ 6.48	$ 6.21	$ 6.07	$ 5.45

Directors and corporate information

DIRECTORS

Rudolph P. Bratty, Q.C.
Toronto, Ontario
Partner, Gambin, Bratty

Edward P. Curtis, Jr.
Rochester, New York
President, Genesee Public Affairs Inc.

John D. Fowler
Toronto, Ontario
President and Chief Executive Officer,
Lake Ontario Cement Limited

Richard H. Grimm
Toronto, Ontario
Director of Professional Tournaments,
Royal Canadian Golf Association

G. Ernest Jackson
Toronto, Ontario
Senior Vice-President,
Reed Stenhouse Limited

Donald J. Matthews
London, Ontario
Chairman, Matthews Group Limited

E. Bruce McConkey
Toronto, Ontario
Vice-Chairman,
Denison Mines Limited

John A. Mullin, Q.C.
Toronto, Ontario
Partner, Fraser & Beatty

Charles D. Parmelee
Toronto, Ontario
Executive Vice-President,
Denison Mines Limited

Franklin Rittmueller
Frankenmuth, Michigan
Chairman, Frankenmuth Bank and Trust; Chairman, President, and Chief Executive Officer, Peoples Banking Corporation

Stephen B. Roman, K.C.S.G.,LL.D.
Toronto, Ontario
Chairman and Chief Executive Officer,
Denison Mines Limited

Denis R.T. White
Toronto, Ontario
Senior Vice-President,
Administration and Finance,
Lake Ontario Cement Limited

OFFICERS

Stephen B. Roman, K.C.S.G.,LL.D.
Chairman of the Board

Charles D. Parmelee
Vice-Chairman of the Board

John D. Fowler, President and Chief Executive Officer

Denis R.T. White, Senior Vice-President,
Administration and Finance

Ken Bruce, President,
The Pipe Group

Joseph S. Pal, President,
The Cement Group

Gordon G. Weeks, President,
The Building Products Group

John A. Clarke, Vice-President,
Cement Manufacturing

Robert W. Denham, Corporate Controller

J. Scott Cowan, Secretary

HEAD OFFICE

2 Carlton Street, Toronto, Ontario
M5B 1J6
(416) 977-0611

AUDITORS

Coopers & Lybrand,
Toronto, Ontario

TRANSFER AGENT AND REGISTRAR

Guaranty Trust Company of Canada,
Toronto, Ontario

STOCK LISTING

Toronto Stock Exchange
Stock Symbol "LOP"

ANNUAL MEETING

The Annual Meeting of the shareholders of Lake Ontario Cement Limited will be held in the Territories Room, Main Mezzanine Floor, Royal York Hotel, 100 Front Street West, Toronto, Ontario on Tuesday, February 14, 1984 at 11:00 a.m. (E.S.T.)

Lake Ontario Cement Limited operating groups

THE CEMENT GROUP

2 Carlton Street,
Toronto, Ontario M5B 1J6
(416) 977-0611

J.S. Pal, President
J.A. Clarke, Vice-President
Cement Manufacturing

Lake Ontario Cement (Canada)
Sales Office:
2 Carlton Street, Toronto, Ontario
M5B 1J6
(416) 977-0611

R.K. Post, General Sales Manager,
Canada

Cement Manufacturing Plant:
Highway 49, Picton, Ontario
K0K 2T0
(613) 476-3233

L.P. Finnegan, Plant Manager

Aetna Cement Corporation
Main Street,
Essexville, Michigan 48732
(517) 894-4581

K.L. Neering, Vice-President
Sales and Marketing
L.D. Van Sumeren, Controller
A.M. Walraven, Plant Manager

Rochester Portland Cement Corp.
361 Boxart Street, Rochester,
New York 14612
(716) 663-7272

H.W. Ingmire, Vice-President,
Sales

THE BUILDING PRODUCTS GROUP

2 Carlton Street,
Toronto, Ontario M5B 1J6
(416) 977-0611

G.G. Weeks, President
S.W. Knott, Vice-President
Operations Analysis

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Mississauga, Ontario L4W 1T7
(416) 678-9540
A.S. Frayne, General Manager

Premier Concrete — Eastern Ontario Region
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Downsview, Ontario M3K 1G2
(416) 633-2180
V.F. Butler, General Manager

Primeau Argo
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(416) 635-9905
G.R. Wilson, General Manager

KVN Concrete
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V.F. Butler, General Manager

THE PIPE GROUP

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K. Bruce, President

Bestpipe
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Kitchener, Ontario N2G 3Y9
(519) 745-8406
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Metcalfe, Ontario K0A 2P0
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R.H. Sachs, Area Manager,
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Vibrapipe Ltée
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(514) 430-7650
H.D. Daigle, General Manager,
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Duracon
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Mississauga, Ontario L4W 1J3
(416) 677-1600
P.A. Greer, Vice-President and
General Manager

Utility Vault Company of Canada Limited
Puslinch Sideroad 25,
Guelph, Ontario N1H 6H9
(519) 836-8250
R.S. Wood, Vice-President and
General Manager

LAKE ONTARIO CEMENT LIMITED

2 Carlton Street, Toronto,
Ontario M5B 1J6 (416) 977-0611

The Corporation's Logo

Two symbols from earliest times are combined to form the Lake Ontario Cement logo. The was once the universal symbol for stone, and the sign for water.

Forms of cement were in use even before the Egyptian pyramid builders employed a gypsum plaster as mortar. The early Greeks used slaked lime. The Romans mixed finely ground volcanic rock with lime and water to build the Pantheon and Colosseum. Today, modern cement is made from special, finely ground which is burned with other mineral substances. This cement is mixed with , sand and more to make concrete which will endure for ages.