

President's Report

Net earnings in 1982 amounted to \$7,224,000 or \$2.29 a share, compared to net earnings of \$15,165,000 or \$4.82 a share in 1981. Gross revenue, including equity in earnings of Group companies was \$7,765,000 in 1982, compared with \$15,371,000 in 1981. The statement of earnings for 1981 and the balance of retained earnings at the beginning of 1982 have been restated to reflect the effect of proposed reassessments of prior years' mining taxes in a Group company.

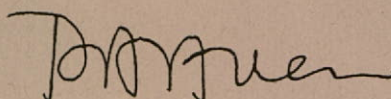
Little Long Lac's revenue is derived primarily from its equity interest in the earnings of Lac Minerals Ltd., a gold producer, in which it has a significant direct and indirect ownership.

A reorganization of some of the Lac Group of Companies, which started in November 1981, was completed in December 1982. As a result, all producing and most of the non-producing assets in the Group have been moved to the newly formed operating company, Lac Minerals Ltd.

Working capital of the Company at the end of 1982 was \$629,000 compared with a \$282,000 deficiency in 1981. Improvement in working capital was primarily due to the sale of 200,000 shares of the Company to Lac Minerals Ltd. for cash, amounting to \$3,600,000. Proceeds were used to purchase shares of Lake Shore Mines, Limited and Long Lac Mineral Exploration Limited (one of the predecessor companies of Lac Minerals Ltd.).

Along with this annual report, you will be receiving a copy of Lac Minerals Ltd.'s annual report which details the results of the Group for 1982.

On Behalf of the Board of Directors



Peter A. Allen
Chairman and President

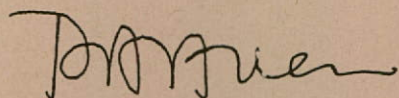
March 31, 1983

Statement of Financial Position

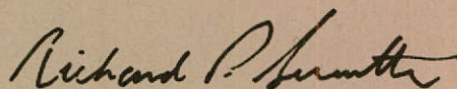
December 31, 1982

	1982	1981
Current Assets		
Cash	\$ 350,000	\$ 128,000
Accounts receivable	11,000	2,000
Due from Lac Group companies	434,000	405,000
	795,000	535,000
Current Liabilities		
Accounts payable and accrued liabilities	66,000	200,000
Due to Lac Group companies	100,000	617,000
	166,000	817,000
Working Capital (Deficiency)	629,000	(282,000)
Investments (note 2)	29,690,000	19,504,000
Mining Interests (note 3)	684,000	510,000
Other Assets	8,000	8,000
Capital Employed	31,011,000	19,740,000
Deduct		
Due to a Lac Group company	1,000,000	
Shareholders' Investment	\$30,011,000	\$19,740,000
Investment Represented by		
Capital Stock (note 4)		
Authorized—5,000,000 shares without par value		
Issued —3,873,168 shares (1981, 3,660,168 shares)	\$ 9,779,000	\$ 6,085,000
Contributed Surplus	12,000	12,000
Retained Earnings	23,624,000	16,400,000
	33,415,000	22,497,000
Deduct the company's pro rata interest in the cost to Lac Group companies of their investments in shares of Little Long Lac Gold Mines Limited	3,404,000	2,757,000
	\$30,011,000	\$19,740,000

Approved by the Board



Director



Director

Statement of Earnings

Year ended December 31, 1982

	1982	1981
Revenue		
Gain on sale of investments		\$ 727,000
Royalty income	\$ 49,000	47,000
Investment income	22,000	14,000
	71,000	788,000
Expenses		
Administrative expenses	166,000	120,000
Interest	347,000	70,000
Mineral exploration	22,000	10,000
Depreciation	6,000	6,000
	541,000	206,000
Earnings (loss) before income taxes	(470,000)	582,000
Income taxes		112,000
Earnings (loss) before equity in earnings of Lac Group companies	(470,000)	470,000
Equity in earnings of Lac Group companies	7,694,000	14,583,000
Earnings before extraordinary item	7,224,000	15,053,000
Reduction in income taxes as a result of the application of losses carried forward		112,000
Net Earnings	\$ 7,224,000	\$15,165,000
Earnings per Share (note 4(c))		
Before extraordinary item	\$2.29	\$4.78
After extraordinary item	\$2.29	\$4.82

Statement of Retained Earnings

Year ended December 31, 1982

	1982	1981
Retained Earnings, Beginning of Year		
As previously reported	\$17,277,000	\$ 3,798,000
Adjustment to equity in earnings of Lac Group companies (note 7)	(877,000)	(2,563,000)
As restated	16,400,000	1,235,000
Net earnings	7,224,000	15,165,000
Retained Earnings, End of Year	\$23,624,000	\$16,400,000

Statement of Changes in Financial Position

Year ended December 31, 1982

	1982	1981
Working Capital Derived from		
Earnings before extraordinary item	\$7,224,000	\$15,053,000
Items not affecting working capital		
Equity in earnings of Lac Group companies	(7,694,000)	(14,583,000)
Dividends from a Lac Group company accounted for by the equity method	618,000	
Gain on sale of investments		(727,000)
Depreciation	6,000	6,000
Loss on sale of mining interests	1,000	
	155,000	(251,000)
Proceeds from sale of investments		1,115,000
Reduction in advances to a Lac Group company		682,000
Proceeds on sale of mining interests	4,000	5,000
Issue of long term debt	1,000,000	
Issue of capital stock	3,694,000	
Reduction in income taxes as a result of the application of losses carried forward		112,000
	4,853,000	1,663,000
Working Capital Applied to		
Purchase of shares in a Lac Group company	3,760,000	
Purchase of other investments		6,000
Mining interests	182,000	450,000
	3,942,000	456,000
Increase in Working Capital	911,000	1,207,000
Working Capital Deficiency, Beginning of Year	282,000	1,489,000
Working Capital (Deficiency), End of Year	\$ 629,000	\$ (282,000)

Notes to Financial Statements

December 31, 1982

1. Significant Accounting Policies

(a) INVESTMENTS

The company is a member of a group of companies collectively known as the Lac Group. The principal members of this group are Little Long Lac Gold Mines Limited, Lake Shore Mines, Limited, Wright-Hargreaves Mines, Limited and Lac Minerals Ltd.

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

	Percentage ownership	
	1982	1981
Lake Shore Mines, Limited	46%	45%
Lac Minerals Ltd.	11%	11%

Lac Minerals Ltd. was formed effective December 31, 1982 as a result of a reorganization of Long Lac Minerals Ltd. (No Personal Liability), Willroy Mines Limited, Les Terrains Aurifères Malartic (Québec) Limitée (Libre de responsabilité personnelle), Les Mines Est-Malartic Ltée (Libre de responsabilité personnelle), and Long Lac Mineral Exploration Limited.

Lake Shore Mines, Limited owns 6% and Lac Minerals Ltd. owns 23% of the shares of the company. These reciprocal shareholdings result in the company having an interest in its own shares. Therefore, the investment in Lac Group companies and shareholder's investment are reduced by the company's 15% pro rata interest in the cost of such shares.

Investments in other Lac Group companies where the company does not have significant influence are recorded at cost.

All other investments are recorded at cost. The cost of investments is written down to net realizable value if any loss in value is deemed to be permanent in nature.

(b) MINING INTERESTS

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

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

Mining properties are stated at cost. Exploration and acquisition costs related to properties with recoverable mineral reserves are capitalized; other mineral exploration costs are charged to operations as incurred.

Upon disposition, the cost of the mining interests and any related accumulated depreciation, depletion and amortization to the date of disposal are removed from the accounts and any gain or loss is taken into income. Costs related to mining properties considered to be permanently uneconomic are written off.

2. Investments

	1982	1981
Lac Group companies, at equity		
Lake Shore Mines, Limited (quoted market value 1982, \$114,496,000; 1981, \$33,248,000)		
Shares	\$ 6,316,000	\$ 5,781,000
Equity in earnings	16,788,000	11,357,000
	23,104,000	17,138,000
Lac Minerals Ltd. (quoted market value 1982, \$60,130,000)		
Shares	4,208,000	983,000
Equity in earnings	4,923,000	3,281,000
	9,131,000	4,264,000
	32,235,000	21,402,000
Less Little Long Lac Gold Mines Limited's pro rata interest in the cost to Lac Group companies of their investments in shares of Little Long Lac Gold Mines Limited	3,404,000	2,757,000
	28,831,000	18,645,000
Lac Group companies, at cost	723,000	723,000
Other investments		
Listed (quoted market value 1982, \$23,400; 1981, \$50,700)	107,000	107,000
Other	29,000	29,000
	136,000	136,000
	\$29,690,000	\$19,504,000

Because of the large number of Lac Group company shares owned, the amounts that would be realized if these investments were sold may be more or less than the quoted market value.

3. Mining Interests

	1982		1981	
	Cost	Accumulated depreciation	Net book value	Net book value
Office equipment and leasehold improvements	\$214,000	\$110,000	\$104,000	\$ 75,000
Mining properties	8,000		8,000	11,000
Deferred exploration and development	572,000		572,000	424,000
	\$794,000	\$110,000	\$684,000	\$510,000

Options to lease mining properties

(a) The company has granted a ninety-nine year lease on its property at Geraldton, Ontario. If the property comes into production, additional future royalty payments will be received as set out in the agreement.

- (b) On September 1, 1978 the company granted to another company a ten year option on its property in Preissac Township, Québec for \$10,000. In addition, the property may be placed into commercial production by the optionee prior to expiry of the option by payment of \$15,000 and the granting of a royalty to the company.

4. Capital Stock

- (a) Changes in the company's capital stock are as follows:

	Number of shares	Capital stock
Balance, beginning of year	3,660,168	\$6,085,000
Issued to Lac Minerals Ltd. for cash	200,000	3,600,000
Issued on exercise of stock options	13,000	94,000
Balance, end of year	3,873,168	\$9,779,000

- (b) Under the company's Stock Option Plan, approved in 1982, 100,000 unissued shares were reserved for issuance to employees and options for 99,000 shares were granted at \$7.25 a share. During the year, options for 13,000 shares were exercised for which the company received \$94,000. As at December 31, 1982, options for 86,000 shares were outstanding and 1,000 shares were available for future grants or options.
- (c) Earnings per share are based on the weighted average number of shares outstanding during the year. The number has been reduced by the company's pro rata interest, being 15%, in its own shares held by Lac Group companies. The number of shares outstanding for calculation purposes is 3,155,280 shares (1981, 3,148,575 shares).

5. Income Taxes

At December 31, 1982 the company has loss carry forwards on a tax filing basis of \$234,000 expiring in 1985 and \$495,000 expiring in 1987. The tax effect of these amounts has not been recorded in the accounts.

6. Due to a Lac Group Company

Advance from a Lac Group company which bears interest at bank prime rate is repayable on January 1, 1986. Little Long Lac Gold Mines Limited has the option to prepay any amount prior to the maturity date without penalty.

7. Adjustment to Equity in Earnings of Lac Group Companies

The statement of earnings for the year ended December 31, 1981, and the balance of retained earnings at January 1, 1982, have been restated to reflect the effect of proposed reassessments of prior years' mining taxes for Lac Minerals Ltd.

8. Related Party Transactions

From time to time advances are made between the company and certain Lac Group companies. Interest on such advances is calculated at bank prime rate. Included in interest expense is \$333,000 from these advances.

9. Segmented Data

Investing in mining and exploration companies is the principal business of the company and accordingly information segmented by industry is not applicable.

Auditors' Report

To the Shareholders of Little Long Lac Gold Mines Limited

We have examined the statement of financial position of Little Long Lac Gold Mines Limited as at December 31, 1982 and the 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 financial statements present fairly the financial position of the company as at December 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
January 28, 1983

Thorne Riddell

Chartered Accountants

Directors and Officers

OFFICERS

P.A. Allen
President
E.J. Wade
Senior Vice President,
D.G. Sheehan
Senior Vice President
Exploration
H.E. Rutetzki
Vice President
Operations
I.T.H. Hamilton
Vice President &
General Counsel
H. Rodrigues
Secretary
R.C. Francisco
Treasurer
G.R. Dallaire
Controller

DIRECTORS

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

AUDIT COMMITTEE

P.A. Allen
R.P. Smith
C.W. Webster

