

Little Long
Lac Gold Mines
Limited

Annual Report
1984



President's Report

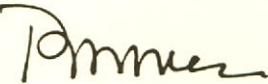
Earnings for the year ended December 31, 1984, before extraordinary items, were \$10,393,000 or \$3.08 per share, and \$18,918,000 or \$5.62 per share after extraordinary items. In 1983, earnings before extraordinary items were \$8,194,000 or \$2.55 per share, and \$24,327,000 or \$7.56 after extraordinary items. Revenues, including equity in earnings of Lac Group companies, were \$10,490,000 compared with \$8,974,000 in 1983.

Little Long Lac's revenues are derived primarily from its equity interest in the earnings of Lac Minerals Ltd.

On April 25, 1984 and June 6, 1983, Lac Minerals issued, respectively, 1,000,000 and 2,000,000 of its shares to the public. Little Long Lac did not purchase any of these shares and accordingly its percentage ownership of Lac Minerals was diluted. The increases in the Company's interest in the shareholders' equity of Lac Minerals Ltd. have been recorded as extraordinary non-cash gains.

Enclosed with this annual report is a copy of Lac Minerals Ltd.'s annual report for 1984.

On behalf of the Board of Directors,



P. A. Allen
Chairman and President

March 5, 1985

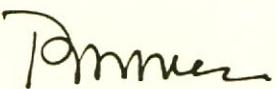
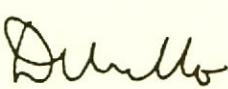


Statement of Financial Position

Little Long Lac Gold Mines
Limited

	As at December 31,	
	1984	1983
Current Assets	(000's)	
Cash and short-term investments	\$ 1,450	\$ 374
Due from Lac Group companies	20	
	1,450	394
Current Liabilities		
Accounts payable and accrued liabilities	24	35
Working Capital	1,426	359
Investments (note 3)	73,066	55,776
Mining interests (note 4)	8	8
Other Assets	8	8
Shareholders' Investment	\$ 74,508	\$ 56,151
Shareholders' Investment Represented by Capital Stock (note 5)		
Authorized—5,000,000 shares		
Issued—4,096,668 shares (1983—4,068,668 shares)	\$ 15,468	\$ 15,265
Contributed Surplus	12	12
Retained Earnings	66,531	47,951
	82,011	63,228
Deduct the Company's pro rata interest in the cost to Lac Group companies of their investments in shares of the Company	7,503	7,077
	\$ 74,508	\$ 56,151

Approved by the Board

Director

Director

**Statements of Earnings and
Retained Earnings**

Little Long Lac Gold Mines
Limited

	Year ended December 31,	
	1984	1983
Statement of Earnings		(000's)
Revenues		
Equity in earnings of Lac Group companies	\$ 10,344	\$ 8,827
Investment and other income	89	94
R royalty income	57	53
	10,490	8,974
Expenses		
Administrative	83	78
Interest		107
Mineral exploration	14	21
Write-off of mining interests		574
	97	780
Earnings before extraordinary items	10,393	8,194
Gain arising from issue of shares by Lac Minerals Ltd. (note 2)	2,749	4,514
Equity in extraordinary items of Lake Shore Mines, Limited (note 2)	5,776	11,619
Earnings for the year	\$ 18,918	\$ 24,327
Earnings per share (note 5(c))		
Before extraordinary items	\$ 3.08	\$ 2.55
After extraordinary items	\$ 5.62	\$ 7.56
 Statement of Retained Earnings		
Retained earnings, beginning of year	\$ 47,951	\$ 23,624
Earnings for the year	18,918	24,327
	66,869	47,951
Dividends		410
Less the Company's pro rata interest in its own dividends paid to Lac Group companies	(72)	
	338	
Retained earnings, end of year	\$ 66,531	\$ 47,951

**Statement of Changes in
Financial Position**

Little Long Lac Gold Mines
Limited

	Year ended December 31,	
	1984	1983
Working Capital Derived from	(000's)	
Operations		
Earnings before extraordinary items	\$ 10,393	\$ 8,194
Items not affecting working capital		
Equity in earnings of Lac Group companies	(10,344)	(8,827)
Write-off of mining interests	574	
Gain on sale of investments and mining interests	(13)	
Total from operations	49	(72)
Dividends from Lac Group companies	1,261	849
Proceeds from sale of investments and mining interests	115	
Advances from Lac Group companies	263	
Issue of capital stock	203	5,486
Total derived from all sources	1,513	6,641
Working Capital Applied to		
Purchase of investments in Lac Group companies	1	5,688
Dividend payments to shareholders	410	
Repayment of advances to Lake Shore Mines, Limited	1,000	
Advances to a Lac Group company	35	223
Total applications	446	6,911
Increase (Decrease) in Working Capital	1,067	(270)
Working Capital, beginning of year	359	629
Working Capital, end of year	\$ 1,426	\$ 359

Notes to Financial Statements

Year ended December 31, 1984

Little Long Lac Gold Mines Limited (the Company) is a member of a group of companies collectively known as the Lac Group. Other companies in this group are Lake Shore Mines, Limited (Lake Shore), Wright-Hargreaves Mines, Limited and Lac Minerals Ltd. (Lac Minerals).

1. Significant Accounting Policies

(a) Investments

The Company accounts on an equity basis for its investments in Lake Shore, 46% owned, and Lac Minerals, 10% owned, (1983-11%) over which it has significant influence.

Lake Shore owns 12% (1983-11%) and Lac Minerals owns 22% of the shares of the Company. These reciprocal shareholdings result in the Company having an interest in its own shares. Therefore, the investments in Lac Group companies and shareholders' investment are reduced by the Company's 18% pro rata interest in the cost of such shares.

Little Long Lac Gold Mines Limited

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.

(b) Mining properties

Mining properties are stated at cost.

Exploration costs incurred to the date of establishing that a property has reserves which have the potential of being economically recoverable are charged against earnings; further costs are capitalized.

2. Extraordinary Items

During 1984 Lac Minerals issued 1,096,195 shares (1983-2,462,296 shares) for net proceeds of \$34,279,000 (1983-\$60,991,000). The Company did not purchase any of these shares and accordingly its percentage ownership of Lac Minerals was diluted; however, the Company's equity interest in Lac Minerals increased shareholders' investment, after including the proceeds from the share issues, resulted in an extraordinary gain.

The equity in the extraordinary items of Lake Shore reflected a dilution in the percentage ownership in Lac Minerals similar to the above.

3. Investments

	1984	1983
	(000's)	
Investments in Lac Group companies accounted for on an equity basis		
Lake Shore (quoted market value 1984-\$ 77,110,000; 1983-\$107,486,000)	\$ 53,751	\$ 41,039
Lac Minerals (quoted market value 1984-\$79,288,000; 1983-\$98,635,000)	25,541	20,645
	79,292	61,684
The Company's pro rata interest in its own dividends paid to Lac Group companies	72	
	79,364	61,684
Less the Company's interest in the cost to Lac Group companies of their investments in shares of the Company	7,503	7,077
	71,861	54,607
Investments in Lac Group companies accounted for on a cost basis	1,034	1,033
Advances to a Lac Group company	35	
Other investments	136	136
	\$ 73,066	\$ 55,776

Because of the large number of Lac Group company shares owned by the Company, the amounts that would be realized if these

investments were sold may be more or less than their quoted market values.

4. Mining Interests

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.

