Consolidated Balance Sheets

as at December 31

thousands of Canadian dollars	2000	1999
ASSETS		
Current assets		
Cash and short-term investments (note 13)	$ 261,343	$ 386,018
Advance and loans receivable (note 6)	5,027	13,739
Accounts receivable (note 13)	176,602	126,813
Inventories (note 3)	76,759	76,131
Prepaid expenses	9,059	6,400
	528,790	609,101
Capital assets (note 4)	507,406	460,455
Investments (note 5)	178,407	174,033
Future income taxes	19,896	13,357
Other assets (note 6)	101,213	86,009
	$ 1,335,712	$ 1,342,955
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term indebtedness (note 13)	$ 8,000	$ 9,283
Accounts payable and accrued liabilities	77,419	88,752
Site restoration and abandonment (note 7)	–	8,280
	85,419	106,315
Site restoration and abandonment (note 7)	26,649	23,239
Future income taxes	12,670	8,197
Minority interest	2,865	2,377
	127,603	140,128
Shareholders' equity		
Convertible debentures (note 8)	587,314	660,729
Capital stock (note 9)	349,840	548,997
Contributed surplus (notes 8 and 9)	199,787	–
Retained earnings (deficit)	71,168	(6,899)
	1,208,109	1,202,827
	$ 1,335,712	$ 1,342,955

Approved on behalf of the Board

/s/ Ian W. Delaney

Ian W. Delaney, Director

/s/ Daniel P. Owen

Daniel P. Owen, Director

Consolidated Statements of Operations

year ended December 31

thousands of Canadian dollars except per share amounts	2000	1999
Revenue	$ 480,355	$ 372,346
Expenses and other income		
Operating, selling, general and administrative	288,312	250,701
Depletion and amortization	71,228	50,379
Gain on sale of capital assets	(3,002)	–
Amortization of goodwill (note 6)	1,286	1,236
Provision for site restoration and abandonment (note 7)	3,513	4,181
Share of loss (earnings) of equity investments	(788)	1,275
Financing income, net (note 11)	(29,045)	(26,924)
Minority interest	1,130	1,178
Earnings before taxes	147,721	90,320
Taxes (note 12)		
Current	26,594	17,592
Future	5,557	6,127
	32,151	23,719
Net earnings	$ 115,570	$ 66,601
Earnings per restricted voting share (notes 1(b) and 9)		
Basic	$ 1.38	$ 0.60
Diluted	0.84	0.45

Consolidated Statements of Retained Earnings (Deficit)

year ended December 31

thousands of Canadian dollars	2000	1999
Beginning of year	$ (6,899)	$ (49,886)
Elimination of deficit at January 1, 2000 through a reduction in stated capital (note 9)	6,899	–
Net earnings	115,570	66,601
Interest on convertible debentures (note 8)	(22,675)	(23,614)
Dividends on restricted voting shares	(21,727)	–
End of year	$ 71,168	$ (6,899)

Consolidated Statements of Cash Flow

year ended December 31

thousands of Canadian dollars	2000	1999
Operating activities		
Net earnings	$ 115,570	$ 66,601
Items not affecting cash		
Depletion and amortization	71,228	50,379
Gain on sale of assets	(3,002)	–
Amortization of goodwill	1,286	1,236
Provision for site restoration and abandonment	3,513	4,181
Future income taxes	5,557	6,127
Other items	(938)	(941)
Cash provided before working capital changes	193,214	127,583
Decrease (increase) in non-cash working capital		
Accounts receivable	(49,789)	(49,322)
Inventories	(628)	3,051
Prepaid expenses	(2,659)	1,816
Accounts payable and accrued liabilities	(10,969)	6,851
	(64,045)	(37,604)
Cash provided by operating activities	129,169	89,979
Investing activities		
Capital expenditures	(116,343)	(87,818)
Net proceeds from sale of capital assets (note 4)	4,150	–
Site restoration payments (note 7)	(8,383)	–
Investments	(7,836)	(62,480)
Other assets	(7,638)	(24,227)
Cash used for investing activities	(136,050)	(174,525)
Financing activities		
Short-term indebtedness	(1,283)	2,240
Convertible debenture interest payments (note 8)	(37,500)	(40,500)
Dividends on restricted voting shares	(21,727)	–
Dividend paid to minority shareholder	–	(1,957)
Issue of restricted voting shares	843	390
Repurchase of convertible debentures (note 8)	(58,127)	–
Cash used for financing activities	(117,794)	(39,827)
Decrease in net cash	(124,675)	(124,373)
Net cash at beginning of year	386,018	510,391
Net cash at end of year	$ 261,343	$ 386,018

Net cash consists of cash and short-term investments.

In 2000, the Corporation received interest of $22.4 million (1999 – $37.4 million), paid interest on short-term indebtedness of $0.6 million (1999 – $0.6 million) and paid income taxes of $26.2 million (1999 – $10.9 million).