



1999 ANNUAL REPORT

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BGR

Precious Metals Inc. is
a closed-end investment
company which invests

in securities of precious metals companies and precious metals. The objective of the Company is to provide capital appreciation and a hedge against inflation. BGR invests in North American and overseas equities and precious metals using a flexible asset mix policy.

The Board of Directors of the Company is responsible for determining general investment policies. Goodman & Company, Investment Counsel, a division of Dundee Investment Management & Research Ltd. (formerly Goodman & Company Ltd.), a wholly-owned subsidiary of Dundee Bancorp Inc., Toronto, Canada, manages the portfolio.

BGR's Common and Class A shares each carry full and equal voting privileges. The Class A shares are listed on The Toronto Stock Exchange and The Montreal Exchange. The shares of the Company are qualified investments for registered retirement savings plans, registered retirement income funds and deferred profit sharing plans.

The net asset value per share is calculated at the close of business every Thursday and is published in the Saturday edition of *The Globe and Mail*, *Report on Business* and the weekend edition of *The National Post*. This information also appears in the closed-end fund tables in the Monday editions of the *Wall Street Journal*, *New York Times* and *Barron's*.

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e present herewith the annual report of BGR Precious Metals Inc. for the year ended January 31, 1999.

The net asset value of the Company at year end was \$13.58 per share compared to \$15.41 at the end of the previous year. This represents an 11.9% decrease in net assets for the year. During this period, the gold indices in Toronto, Australia, and South Africa declined 36%, 31% and 22%, respectively. The price of gold bullion continued its decline from US\$305 an ounce at January 31, 1998 to US\$286 at January 31, 1999, a change of 6%. The drop in the price of gold, together with low inflation and strong equity markets, resulted in both the US market and general market indices outperforming gold equities in all of the gold producing countries.

The total net assets of the Company were \$100.7 million at January 31, 1999, down from \$114.5 million at January 31, 1998. The net decrease of \$13.8 million was the result of an unrealized market depreciation (net of deferred income taxes) of \$3.6 million, a net loss of \$10.1 million during the year and an expenditure of \$0.1 million to buy back 12,700 Class A shares.

The net loss for the year was \$10.1 million versus \$16.2 million for the previous year. Net realized losses on the sale of investments of \$4.8 million and a tax provision of \$4.0 million accounted for a significant portion of the current year's loss. Included in the above tax provision is a charge of \$5.4 million, which reflects both the settlement with Revenue Canada for the taxation years ended January 31, 1988 to January 31, 1995 and an estimate of a settlement for subsequent years, and an estimate of a settlement with the Ontario Ministry of Finance.

The Company has shareholders' approval to borrow up to 25% of its total assets. As at January 31, 1999, the Company had borrowed \$6.3 million or 5.5% of its total assets thus providing shareholders with the benefit of professionally managed leverage and additional opportunities to increase returns.

The comments of our Manager, Dundee Investment Management & Research Ltd. (formerly Goodman & Company Ltd.) indicate that they remain positive on the long-term outlook for gold equities as bullion prices recover. At year end, the portfolio mix of BGR Precious Metals Inc. was 49.4% North American, 35.4% Australian, and 15.2% in Latin American equities. All the investments held by the Company were in precious metals.

On behalf of the Board,



Garth A.C. MacRae
Chairman
April 6, 1999

WEAKNESS CREATES OPPORTUNITY

The international equity markets were characterized by significant volatility during the one-year period ending January 31, 1999, with the third quarter of 1998 being one of the worst in the history of the developed markets. The Asian economic crisis continued to spread, forcing North American and European central banks to cut interest rates in order to provide liquidity and restore confidence in the capital markets.

International Monetary Fund (IMF) intervention to avoid an Asian-type meltdown in Russia and Brazil provided a boost to investor confidence in the fourth quarter, spurring the markets to close the year on a high note. However, devaluation of the Brazilian currency last January dampened investor enthusiasm heading into the new year.

Over the past year, the US economy remained the engine of global growth and all indications point to its continuing strength in 1999. The economy was characterized by low unemployment, a buoyant consumer, impressive job creation and strong growth in wages. The wealth effect from three successive years of above average stock market performance and the absence of inflation resulted in strong consumer confidence and spending.

The Canadian economy was stronger than expected in the year and is forecast to grow in excess of 2.5% in 1999 as it leverages off a growing US economy. Job creation continued at a solid pace and unemployment remained steady at 8% over the year.

In Europe, reduced currency volatility resulting from the establishment of the European Monetary Union (EMU), declining interest rates, and increased corporate activity contributed to greater investor focus on the region. The EMU was successfully launched on January 1, 1999 with eleven countries participating in the first wave of membership.

South East Asian economies appeared to have bottomed out in 1998 after a year of deep recession. Given the structural nature of the region's problems, it is expected that 1999 will be a year of transition as policy makers shift their focus from stability measures to growth initiatives. Japan remained fragile throughout the year despite forecasts of a rebound that may come later in 1999.

Throughout 1998, there was a sustained divergence in performance between the growth and cyclical sectors in the developed markets, providing a boost to momentum investors and frustrating value investors. On the other hand, economic fundamentals of emerging markets, in combination with cyclical trends, remains the key to performance in specific countries.

The year was marked by persistent weakness in commodity prices, resulting in the Commodity Research Bureau Index falling to a 21-year low. In a global market where valuations are at all time highs, the cyclicals are trading at its lowest valuation in over forty years. A more widespread and positive impact in the group is expected to occur when Asia begins to demonstrate positive economic growth.

GOLD AND PRECIOUS METALS

Relatively stable demand, declining supply

The gold sector experienced another weak year on the back of signs of slowing global growth. The Commodity Research Bureau Index fell to a 21-year low in 1998, dragged down by an 18-month decline in commodity prices. During the year, bullion prices tumbled to their lowest level since 1978 as a result of continuing central bank sales of their gold reserves, high levels of hedging by producers, low inflation, and a strong US dollar. Gold averaged \$294 per ounce in 1998, its lowest level in 20 years.

Continuing weakness in Asia and Japan and a general decline in non-North American growth remained the major contributors to slumping demand and depressed commodity prices. These factors have been compounded by a bearish mood towards commodities, fuelled by a psychological fear that global over-capacity will likely influence lower prices indefinitely. Meanwhile, the fundamentals in the gold market during 1998 were quite flat. With the exception of higher than normal levels of scrap on the market from Korean sales, supply from mine production was relatively unchanged.

However, central bank supply is expected to decline significantly in 1999 as a result of initiatives in Europe. The new European Central Bank (ECB) announced that it would hold 15% of its reserves in gold, while central banks of member-countries of the European Monetary Union (EMU) must now obtain approval from the ECB prior to any sale of their reserves. These moves will take away the uncertainty of arbitrary sales that would normally lead to an increase in supply. As well, the EMU's three largest holders of gold reserves – Germany, France and Italy – have stated that they currently have no intention of disposing of their gold reserves. We also believe that central banks sales from other European countries, while not impossible, seem rather improbable.

In March 1999, the French president, Jacques Chirac suggested that the IMF consider the sale of gold reserves, if necessary, as a solution to multilateral debt in the Third World countries. Responding to Chirac, the Canadian Prime Minister, Jean Chrétien, proposed a maximum 300 tonnes of IMF stocks be sold. The Swiss later stated that they would want to cap potential gold sales at 150 tonnes. Many of the countries that the IMF is trying to help depend largely on their local gold industries as a source of export. The downward pressure on gold

prices that this proposed debt relief is causing may indeed hurt the economies of the countries that IMF is trying to help. In either event, this one time sale can be conducted in an orderly manner.

An increase in bullion prices is also expected to be influenced by the deregulation of the gold market in India, one of the world's largest users of gold. Demand has already picked up sharply in India and will most likely continue to grow. Further demand this year is expected to be generated from the issue of millennium gold coins by a number of countries. In the meanwhile, demand for gold for jewelry production – the largest single use of gold – continues to outstrip mine supply.

Meanwhile, Switzerland has indicated that it wants to sell up to 1,300 tonnes of gold, about half of the Swiss National Bank's (SNB) gold reserves. Even though the link between gold and the Swiss franc has been removed by the recent referendum, the Swiss Parliament must still pass changes to the "coin law" that would allow the selling of SNB gold reserves. Any proposed law in Switzerland can be petitioned to a referendum. We would not expect the coin law to be changed until sometime in the year 2000,

at which time, if passed, would enable Switzerland to start selling 800 of the 1,300 tonnes of gold that it would like to sell at an expected rate of 150 to 200 tonnes per year. An orderly sale at this rate would not have a significant impact on gold price.

While evidence of a declining supply and a relatively steady demand on the bullion market may lead to higher prices, several other factors support this contention. As prices fell, the industry experienced a significant degree of consolidation, facilitated by mergers and acquisitions. High cost mines started to close as companies focused on high-grade and low-cost operations leading to a more constrained and disciplined gold supply.

It is believed that well-capitalized, low-cost producers will benefit from a pick-up in the price of gold and as a result, we have changed the portfolio to emphasize well-managed companies with a strong potential for growth.

In summary, we believe that the market has over-discounted the negative and totally ignored the upside opportunities with respect to gold bullion. Clearly, the potential IMF and Swiss sales are a worst case scenario. The likelihood is that the Central Bank sales or official sales sectors will result in an increased supply of up to 200-300 tonnes of gold per year. It is also worth noting that this extra gold is less than the excess gold that came out of Korea last year. In addition, much of the Swiss gold has already been sold via the gold lending market.

Concurrently jewelry demand has stayed relatively robust and mine supply is starting to show signs of weakening with a reduction in growth. The lower gold prices we have seen, will result in a negative supply reduction as the industry adapts to these prices. In many cases it is argued that the market can handle higher central bank sales.

On a positive note, the Far East and Japan are poised to recover at some point. Inflation will once again replace deflation in the future and gold will once again be restored as a healthy asset class.

Bar hoarding, jewelry purchases and gold as an investment will increase natural demand. This scenario may be 1 to 3 years away. It is also worth noting that if gold prices were to increase by 20% to approximately US\$350, not an onerous price by any historical standards, gold stocks would increase between 60% and 80%. Even on a 3-year basis gold would yield tremendous returns.

It is our view that on a medium term basis, gold represents excellent value. While the hedge funds have put a lot of volatility in the gold price with their net short positions, we believe that gold prices should recover modestly this year and more substantially after that with an eventual resurgence of inflation. Many of the securities we are looking at will provide tremendous returns over the following 3-year period. As value managers, we recognize that the gold sector offers excellent buying opportunities.

TOP TEN HOLDINGS

NORMANDY MINING (9.1%)

Normandy is Australia's largest gold producer and largest supplier of industrial minerals. This year's production is expected to be 1.7 million ounces, at a cash cost of less than US\$200 per ounce, 132,000 tonnes of zinc, 28,500 tonnes of copper, and 17,500 tonnes of lead per year. Normandy has been taking steps to rationalize its asset portfolio into fewer, larger, longer life, lower cost operations.

Highlights:

- On January 11, 1999, Normandy bid to acquire the remaining 59.6% of Great Central Mines which is expected to produce 730,000 ounces of gold in 1999 at a cash cost of US\$195 per ounce.
- Yemfo-Sefwi: Increased equity to 90%. Preliminary scoping identifies construction of carbon-in-leach plant at Kenyase with capacity of 5.5 million tonnes per annum producing 300,000 ounces of gold per year at a cash cost of less than US\$200 per ounce.
- Pajingo: Approval received to develop Vera South and double gold production to a rate of over 200,000 ounces per year at a cash cost of US\$130 per ounce.
- Callie: Expansion study completed, existing plant being expanded to 2.5 million tonnes per annum.
- Martha: Approval received for expansion to extend mine life to 2007. Expanding plant to 1.25 million tonnes per annum enabling recovery of an additional 750,000 ounces of gold, and expect to lower cash cost by NZ\$25 per ounce.
- Ovacik: Agreement with Inmet Mining to increase its ownership from 66.7% to 100%. The deposit contains an estimated gold resource of 870,000 ounces contained in ore grading 9.1 grams per tonne. The mine is expected to produce 110,000 ounces per year at total costs below US\$170 per ounce.
- Perama Hill: Agreement with Inmet Mining to increase its ownership from 44% to 66%. The deposit contains an estimated gold resource of 1.25 million ounces, contained in ore grading 3.5 grams per tonne. Production rate should be 100,000 ounces per year at a cash cost of US\$175 per ounce.
- Magnesium: Completing commercial plant bankable feasibility study, commissioning demonstration plant. Evaluating feasibility of a second plant in Iceland.

RANGER MINERALS NL (9.0%)

Ranger Minerals owns 90% of the Damang mine in Ghana which has been operating for just over one year and is producing about 250,000 ounces of gold per year at a cash cost of US\$210 per ounce. Current measured and indicated resources are over 2.7 million ounces in ore grading 2.1 grams per tonne. There are a further 1.2 million ounces in inferred resources.

Highlights:

During its startup year, Damang mine was plagued with frequent power outages, grade reconciliation problems, and harder than expected ore. Most of these problems are being or have been rectified: a 20 megawatt power station has been installed to deal with the unreliable power supply in Ghana and a pebble crusher is being installed so that the mine may treat on the order of 3.5 million tonnes per annum of 100% primary ore. Currently a blend of 60% primary and 40% oxide are being processed at a rate of 4.0 million tonnes per annum. Once the pebble crusher is installed by the end of June, Ranger can assess the economics of an expansion.

MINAS BUENAVENTURA (8.9%)

Buenaventura, a Peruvian-based mining company, owns 43.65% of one of the world's largest and lowest cost gold mines, Yanacocha, producing 1.3 million ounces per year at a cash cost of US\$125 per ounce. Buenaventura also operates six majority-owned underground mines in Peru: Uchucchacua (silver, zinc, lead), Orcopampa (gold, silver), Julcani (silver), Huachocolpa (zinc), Ishihuinca (gold), and Shila (gold). The company's equity share of production is expected to reach over 650,000 ounces of gold and 10 million ounces of silver this year at a cash cost of US\$125 per ounce.

Highlights:

- Yanacocha: The Supreme Court ruled in favour of Buenaventura over Cedimin. Buenaventura and Newmont paid US\$109 million and obtained the remaining 24.7% interest in Minera Yanacocha.
- Excellent exploration potential at Yanacocha at the La Quinoa and El Tapado deposits. Yanacocha could potentially increase to 14 million ounces.
- The company is likely to develop its Minas Conga project (40%) with its partners Newmont and Cedimin. Minas Conga is expanding its resource from 250 million tonnes grading 1 gram per tonne gold to 400 million tonnes, and is still not fully explored.

- Tantauatay: drill-indicated resources are currently at 664,000 ounces of gold in open-pittable, heap-leachable oxides.
- Buenaventura recently purchased a controlling participation in Colquijirca zinc deposit from Minera Brocal.

HOMESTAKE MINING COMPANY (7.7%)

Homestake Mining is one of North America's oldest listed gold producers, with attributable gold-equivalent production of 2.26 million ounces in 1998. Homestake is diversified into the United States, Canada and Australia. The majority of Homestake's value is associated with its Eskay Creek, Kalgoorlie, Round Mountain and Ruby Hill operations. The company is being unhedged and is well-positioned for a positive turn in the gold market.

Highlights:

- Homestake's exploration efforts in 1999 will focus on Australia and at the 50% owned Pinson mine in the United States.

AGNICO-EAGLE MINES LIMITED (7.6%)

Agnico-Eagle Mines is a Toronto-based gold producer which owns and operates the La Ronde mine in northwestern Québec. The La Ronde mine is currently being expanded in order to mine a large, deep, gold-zinc rich, massive sulphide zone that was discovered

on the property in 1993. The first phase of the expansion is taking production from 1,800 to 2,700 tonnes per day and a second phase is being evaluated which could take production to 4,500 tonnes per day. These expansions will see gold production increase from 150,000 ounces per year to over 230,000 ounces per year by 2002. A zinc plant is being installed and the company will produce over 110 million lbs of zinc per year. Current reserves stand at 1.28 million ounces of gold with an additional 3.27 million ounces in resources.

Highlights:

- The company is currently studying the economics of a further expansion to 4,500 tonnes per day and we expect a decision by the end of the second quarter 1999.
- We expect another reserve conversion and a resource upgrade during 1999 as drilling in the 20N Zone below the 10th Level better defines the orebody and tests the down-plunge extent of the deposit.

ROSS MINING NL (6.7%)

Ross Mining NL is an Australian based gold mining company. The Company is now a recognized low-cost gold producer, with an average annual production for the past five years of about 80,000 ounces of gold, from operations in central Queensland. The Company's ore reserves are in excess of 1.8 million ounces of gold. The Gold Ridge mine in the Solomon Islands poured its first gold in August 1998 after a one year construction

period and is scheduled to produce gold at the rate 100,000 ounces per annum. In addition, the Timbarra mine in northern New South Wales is in construction, and we anticipate that the production from these two new mines will lead to an increase of the gold production rate to more than 200,000 ounces of gold per year.

Highlights:

- The first gold pour from the Timbarra mine is expected during the second quarter of this year.
- The resource at the Valehaichichi deposit at Gold Ridge in the Solomon Islands has increased to 20.6 million tonnes grading 1.5 grams per tonne containing 1 million ounces. The company is currently evaluating a detailed engineering scoping study for increasing the processing rate. Exploration is continuing to provide promising results for further resource expansions and we expect a significant upgrade to be announced within the next two months.
- Further reserve/resource upgrades are expected from Wirralie. Current reserves and resources stand at 652,000 ounces, of which 349,000 ounces are contained in oxides.

MERIDIAN GOLD INC. (6.5%)

Meridian Gold is an emerging mid-tier gold producer, currently producing over 200,000 ounces of gold per year from its Beartrack Mine in Idaho and from its 30% share of the Jerritt Canyon Mine in Nevada which is operated by AngloGold. Meridian Gold is currently constructing a 300,000 ounce per year gold mine in Chile, El Peñón which should be ready by the end of the third quarter, with an official startup date in the first quarter of 2000. The company also has a joint venture with Barrick (60%) on the highly prospective Rossi project north of the Goldstrike property in the Carlin trend in Nevada.

Highlights:

- After last year's exciting discovery at Quebrada Colorada at the El Peñón project in Chile, which adds resources of almost 1 million ounces of gold and 14.6 million ounces of silver, exploration this year is expected to produce attractive results from both the north and south extensions of Quebrada Colorada, in addition to new targets slated to be drilled, namely: Vista Norte, Playa, and another anomaly the east of Quebrada Colorada.
- Total reserves and resources at El Peñón now stand at 1.9 million ounces of gold and 31.6 million ounces of silver.
- Construction at El Peñón is on budget and on schedule.

VENGOLD INC. (4.3%)

Vengold is a junior company that owns 18.6% of the world-class Lihir Gold Mine. During 1998, Vengold increased its interest in Lihir from 10.3% to 19.3%. However it has recently sold down its stake to 18.5% in order to reduce debt by \$11 million. Vengold still remains the largest shareholder of Lihir and remains in the driver's seat for consolidation of Lihir. During 1998 Placer Dome bought a private placement giving it a 16.5% stake in Vengold. The company is also focussed on exploring in Nevada to find new gold deposits.

EAST AFRICAN GOLD MINES (4.0%)

East African Gold Mines is a private company based in Australia that owns the Nyabirama and Nyabigena gold deposits in Tanzania. The company is undertaking a bankable feasibility study on the project that now has reserves of 20 million tonnes grading 3.5 grams per tonne gold, containing 2.2 million ounces and resources of 41 million tonnes grading 2.7 grams per tonne, containing 3.6 million ounces. Based on current reserves, this would support a 175,000 ounce per year production rate over a mine life of nearly 12 years. Cash operating costs are forecasted to be US\$187 per ounce and total cost of US\$236 per ounce. Based on the fact that this project is of higher grade, softer ore, and lower strip ratio to Ranger Minerals' Damang Mine in Ghana, we believe that these costs are conservative. The shareholdings of the

company are concentrated among 13 shareholders, including the Macquarie Bank, the company's banker which holds 13%. We believe that with Macquarie's strong support for East African, the company should be able to receive attractive terms on a future debt financing for the project. The current economic model complies with the lender's compliance ratios, and credit approval should be forthcoming. We expect that the company will go public upon completion of their bankable feasibility study or sooner if gold markets improve. We expect that upon going public, this company could have a market capitalization very similar to that of Ranger Minerals.

CAMBIOR INC. (4.0%)

Cambior is a Montréal-based mid-size gold and base-metal producer with operations in Québec and Guyana with a market capitalization of C\$526 million. The company is expected to produce over 635,000 ounces of gold, 700,000 ounces of silver, 7,300 tonnes of copper, 67,000 tonnes of zinc, and 1,100 tonnes of ferroniobium during 1999. The flagship mines are the Doyon-Mouska mine in northern Québec producing in excess of 260,000 ounces of gold per year at a cash cost of less than US\$200 per ounce and the Omai mine in Guyana with annual production of 310,000 ounces of gold at a cash cost of US\$240 per ounce.

BGR Precious Metals Inc. (“the Company”) is a closed-end investment company, managed by Dundee Investment Management & Research Ltd. (formerly Goodman & Company Ltd.), which provides investors with an opportunity to invest in a managed portfolio of primarily precious metals-related investments. The principal objectives are capital appreciation and the provision of a hedge against inflation, while providing a portfolio diversified among issuers and among the countries in which the issuers operate.

Investments consist primarily of equity securities of issuers engaged in the exploration, development, production or marketing of precious metals. Issuers in which the Company invests may be engaged in activities relating to one or more precious metals and may derive a substantial portion of their revenue from sources other than precious metals. At the current time, the investments of the Company are primarily in gold-related issuers.

In making equity investments, the Company diversifies its portfolio among junior, intermediate and senior issuers and between producing and exploration companies. The Company also seeks out those companies which require financing to further develop or explore potential deposits. Currently, the Company's portfolio is comprised of investments based in Canada, the United States, Australia, and Latin America.

The mix of the Company's portfolio among various issuers, countries, precious metals, equity securities, bullion and cash can vary from time to time in response to fluctuations in metal prices and market conditions.

Generally, when the Manager believes that the price of precious metals or equity securities will fall, the Company's portfolio will be more heavily weighted in favour of bullion and cash. When the Manager believes that the price of precious metals or equity securities will increase, the Company's portfolio will be weighted more heavily in favour of equity investments. Bullion is a mechanism to permit the Company to maintain liquidity while continuing to have precious metals.

As a closed-end investment company, the Company is subject to the investment restrictions set out in its articles and by-laws but is not subject to the restrictions established by Canadian securities administrators for mutual funds. In addition, the Company is not obligated to meet redemptions, as is the case in an open-end mutual fund, and therefore need not maintain liquidity for redemption requests. Accordingly, the Company is afforded greater flexibility in its investments and is able to more effectively manage its portfolio of holdings than it would as an open-end fund. In particular, subject to the investment restrictions applicable to it, the Company is able to make investments which are intended to be held for the longer term, including securities which may be considered illiquid.

As set out in the investment restrictions, the Company has the ability to borrow an amount of up to 25% of its total assets. This provides shareholders with the benefit of professionally managed leverage; additional opportunities to increase returns; and the ability to better manage its cash flows. The company has negotiated a \$25 million credit facility to provide this leverage. During the year, the Company used this facility to take advantage of certain market conditions and as at January 31, 1999, the Company had borrowed \$6.3 million against this facility.

The Company had been reassessed by the Canadian Federal tax authorities (Revenue Canada) on the basis that gains and losses on securities and precious metals transactions are on account of income (instead of on account of capital). The Ontario Provincial tax authorities (Ontario Ministry of Finance) followed Revenue Canada's lead and also reassessed the Company taxing these gains and losses on account of income. The Company had objected to the reassessments since the Company's stated investment policy is to make investments which are intended to be held for long terms and therefore, management is of the opinion that taxation on account of capital is more appropriate.

During the year, the Company settled all its outstanding Federal tax appeals with Revenue Canada for the taxation years January 31, 1988 to January 31, 1995, relating to the tax treatment of investment gains. The Ontario Ministry of Finance has reassessed the Company for the taxation years ended January 31, 1985 to January 31, 1995 and had deferred acting on our objections pending the outcome of the Federal appeals. Although, at the current time there has been no settlement with the Ministry of Finance, the Company anticipates that a settlement will be forthcoming based on the principles that were used to settle with Revenue Canada.

As a consequence of the settlement with Revenue Canada and anticipated settlement with the Ministry of Finance, the Company, during the year, recorded a charge of \$5.4 million (approximately \$0.73 per unit) to its tax provision. The Company has applied principles followed in this settlement to all years subsequent to January 31, 1995 in accounting for its income taxes and has removed a significant contingency related to the determination of its net asset value.

The performance of the Company is best measured by the change in the net asset value per share. Reported earnings reflect only interest and dividend income and realized gains and losses on the disposition of investments. As they do not include unrealized gains and losses of the portfolio, earnings are only a partial measure of the Company's performance.

The Net Asset Value of BGR at January 31, 1999 was \$100,670,000 (\$13.58 per share) as compared to \$114,474,000 (\$15.41 per share) at January 31, 1998, reflecting unrealized depreciation in the market value of the investments, realized losses and an additional charge to income taxes relating to the settlement with Revenue Canada.

For the year ended January 31, 1999, interest income decreased by 40% from \$256,000 to \$153,000 due to the investment portfolio holding less short term investments.

Dividend income increased, by \$1,380,000 to \$2,148,000, as a result of increased holdings of dividend paying securities. Ranger Minerals accounted for \$765,000 of this increase. The Company realized net losses of \$4,765,000 during the year and had unrealized depreciation net of deferred income taxes of \$3,502,000 during the year. The most significant realized losses were Namibian Minerals Corporation \$1,729,000 and Bema Gold Corporation \$1,188,000.

Total expenses before income taxes increased by \$1,372,000 to \$3,699,000. This increase was primarily the result of interest charges. During the year, the Company expensed \$1,283,000 of interest associated with the outstanding Federal and Provincial tax balances related to the years under appeal. In addition, the Company had borrowing costs of \$544,000 related to the credit facility. There were no similar costs in the previous year. A decrease in management and performance fees of \$461,000 due to lower assets under management helped to reduce the overall expenses of the Company.

Performance fees of up to 2% of the Company's pre-tax total net assets is payable if the Manager outperforms gold bullion. During the year, no performance fee was earned as the performance of both the Company and gold bullion was negative.

The Company recognizes the importance of maintaining the integrity of sensitive customer data and intends on taking every reasonable step to start the new millennium with minimal computer related problems. To maximize the Company's readiness for the year 2000, the Company, through its investment manager, Dundee Investment Management & Research Ltd., has completed an independent assessment of the computerized system, including hardware, software, applications, voice and data communications and office equipment. The Company has also obtained assurances from its suppliers and investment companies held in the portfolio that they are taking steps to address any year 2000 issues.

At the present time, the Company is testing its systems for compliance and expects to be finished before the end of the third quarter of 1999. The Company is also considering the need for and development of contingency plans which may be necessary in the event of a significant system failure. This will be completed before the end of 1999. The costs associated with the remediation and testing of its systems will not be borne by the Company as the systems are the responsibility of the Company's Investment Manager, Dundee Investment Management & Research Ltd.

We have audited the statements of financial position of BGR Precious Metals Inc. as at January 31, 1999 and 1998, the statement of investments at market value as at January 31, 1999 and the statements of operations and retained earnings, changes in net assets and changes in investments for the years ended January 31, 1999 and 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 1999 and 1998, the investments at market value at January 31, 1999 and the results of its operations and the changes in its net assets and investments for the years ended January 31, 1999 and 1998 in accordance with generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Toronto, Ontario
March 19, 1999

As at January 31, 1999 (in thousands of dollars)

PAR VALUE, SHARES OR UNITS		MARKET VALUE	% OF PORTFOLIO
CANADIAN EQUITIES AND CONVERTIBLES			
235,500	Aber Resources Ltd.	\$ 2,355	
1,032,100	Agnico Eagle Mines Ltd.	7,018	
2,501,200	American Gem Corporation	63	
705,500	Archangel Diamond Corporation	314	
798,400	Argosy Mining Corp.	108	
2,115,914	Armada Gold Corporation, Class "A"	148	
541,589	Banro Resource Corporation	406	
1,200,000	Brimstone Gold Corp.	126	
513,000	Caldera Resources Inc.	41	
800,000	Cambiex Exploration Inc.	248	
2,500,000	Cambiex Exploration Inc., Units	1,150	
503,400	Cambior Inc.	3,725	
266,100	Corner Bay Minerals Inc.	78	
600,000	Dakota Mining Corporation, Convertible Debentures, 7.50%, Feb.04 04	60	
690,000	Etruscan Enterprises Ltd.	690	
2,500,000	Gabriel Resources Ltd.	1,188	
520,000	Glamis Gold Limited	1,326	
250,500	Globex Mining Enterprises Inc.	70	
2,241,200	Golden Queen Mining Co. Ltd.	964	
572,000	Inca Pacific Resources Inc.	109	
401,500	International Freegold Mineral Development Inc.	106	
625,690	Kinross Gold Corporation	2,090	
727,200	Meridian Gold Inc.	5,999	
514,500	Pacific Amber Resources Ltd.	129	
687,000	Paramount Ventures and Finance Inc.	206	
67,189	Paramax Resources Ltd.	23	
162,500	Placer Dome Inc.	2,779	
1,449,844	Santa Cruz Gold Inc.	72	
96,000	Scorpion Minerals Inc.	28	

PAR VALUE, SHARES OR UNITS		MARKET VALUE	% OF PORTFOLIO
CANADIAN EQUITIES AND CONVERTIBLES (CONT'D)			
373,200	Sutton Resources Ltd.	2,295	
350,000	Ural Gold Inc.	158	
4,944,000	Vengold Inc.	3,955	
1,058,133	Ventures Resource Corporation	476	
863,333	Verena Minerals Corporation	207	
	Miscellaneous	48	
		38,758	41.7%
US EQUITIES			
501,800	Homestake Mining Company	7,139	7.7%
AUSTRALIAN EQUITIES			
1,262,146	Acacia Resources Limited	2,936	
4,083,774	Asia Gold Mining Corp. NL	109	
4,637,840	East African Gold Mines Limited	3,733	
4,078,500	Ghana Gold Mines Ltd.	197	
1,339,691	Gullewa Gold NL	59	
1,475,000	Lihir Gold Ltd.	2,268	
6,471,802	Normandy Mining Ltd.	8,491	
2,260,600	Ranger Minerals NL	8,327	
6,000,000	Revesco Limited	541	
7,201,477	Ross Mining NL	6,221	
	Miscellaneous	1	
		32,883	35.4%
LATIN AMERICAN EQUITIES			
432,530	Buenaventura Ciap de Minas S.A., Sponsored ADR, Series "B"	8,313	
110,000	Companhia Vale Do Rio Doce, Sponsored ADR, Preferred	2,484	
733,700	Industrias Penoles, S.A. de C.V.	3,380	
		14,177	15.2%
TOTAL INVESTMENTS AT MARKET VALUE		\$ 92,957	100.0%

As at January 31 (expressed in thousands of dollars except per share amounts)

	1999	1998
ASSETS		
Investments at market value		
(cost 1999 \$125,715; 1998 \$114,585)	\$ 92,957	\$ 89,835
Cash and short-term deposits	291	6,806
Interest, dividends and other receivables	2,645	3,855
Due from brokers	–	1,461
Income taxes recoverable (Note 6)	19,340	8,409
Deferred income taxes (Note 6)	–	8,493
	\$ 115,233	\$ 118,859
LIABILITIES		
Accounts payable and accrued liabilities	\$ 378	\$ 249
Due to brokers	–	4,136
Bank loan (Note 3)	6,300	–
Deferred income taxes (Note 6)	7,885	–
	14,563	4,385
SHAREHOLDERS' EQUITY		
Capital stock and warrants (Note 4)	88,159	88,275
Retained earnings	32,480	42,666
Unrealized depreciation in the market value of investments, net of deferred income taxes (1999 \$12,789; 1998 \$8,283)	(19,969)	(16,467)
NET ASSETS REPRESENTED BY SHAREHOLDERS' EQUITY	100,670	114,474
	\$ 115,233	\$ 118,859
NET ASSET VALUE PER SHARE	\$ 13.58	\$ 15.41

See accompanying notes to the financial statements.

On behalf of the Board,



Jonathan Goodman, Director



Garth A.C. MacRae, Director

For the years ended January 31 (expressed in thousands of dollars except per share amounts)

	1999	1998
NET LOSS		
Interest	\$ 153	\$ 256
Dividends	2,148	768
	2,301	1,024
Net realized losses on sales of investments	(4,765)	(23,052)
	(2,464)	(22,028)
Less:		
Management and performance fees (Note 5)	957	1,418
Administrative and other expenses	806	774
Interest on bank loan	544	–
Interest on settlement of income taxes, net (Note 6)	1,283	–
Goods and services tax	109	135
	3,699	2,327
Loss before income taxes	(6,163)	(24,355)
Provision for (recovery of) income taxes		
Current	(6,012)	(8,346)
Deferred	4,590	210
Settlement	5,445	–
Provision for (recovery of) income taxes (Note 6)	4,023	(8,136)
NET LOSS	\$ (10,186)	\$ (16,219)
NET LOSS PER SHARE	\$ (1.37)	\$ (2.18)
RETAINED EARNINGS		
Balance, beginning of year	\$ 42,666	\$ 58,894
Net loss	(10,186)	(16,219)
Allocation of purchase premium (Note 4)	–	(9)
Balance, end of year	\$ 32,480	\$ 42,666

See accompanying notes to the financial statements.

For the years ended January 31 (expressed in thousands of dollars except per share amounts)

	1999	1998
Net Loss	\$ (10,186)	\$ (16,219)
Change in unrealized depreciation in the market value of investments, net of deferred income taxes	(3,502)	(30,150)
Purchase of Class A shares (Note 4)	(116)	(41)
Allocation of purchase premium (Note 4)	-	(9)
Changes in net assets during the year	(13,804)	(46,419)
Net assets, beginning of year	114,474	160,893
Net assets, end of year	\$ 100,670	\$ 114,474
Net asset value per share	\$ 13.58	\$ 15.41

See accompanying notes to the financial statements.

For the years ended January 31 (expressed in thousands of dollars)

	1999	1998
Investments at market value, beginning of year	\$ 89,835	\$ 173,521
Unrealized depreciation (appreciation) in the market value of investments, beginning of year	24,750	(20,567)
Investments at cost, beginning of year	114,585	152,954
Cost of investments purchased during the year	33,251	52,585
Cost of investments sold during the year		
Proceeds from sales	(17,356)	(67,902)
Net realized losses on sales	(4,765)	(23,052)
	(22,121)	(90,954)
Investments at cost, end of year	125,715	114,585
Unrealized depreciation in the market value of investments, end of year	(32,758)	(24,750)
Investments at market value, end of year	\$ 92,957	\$ 89,835

See accompanying notes to the financial statements.

January 31, 1999 and 1998 (tabular amounts in thousands of dollars)

1. SIGNIFICANT CORPORATE INFORMATION

BGR Precious Metals Inc. (the “Company”) is a closed-end investment company incorporated under the Canada Business Corporations Act, investing primarily in precious metals and related securities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Investment valuation policies

Investments are recorded in the financial statements at their market value at the end of the year, determined as follows:

- *Gold and silver bullion are valued at the London morning fixing price. Platinum and palladium are valued at the average closing bid price of at least two New York precious metals dealers.*
- *Shares or other securities for which market quotations are readily available are valued at the closing sale price or, if there is no sale price, the average of the closing bid and ask prices.*
- *Shares or other securities for which market quotations are not readily available are valued at fair market value as determined by management. These valuations are based on estimates made by management and may differ from realizable values.*
- *Options are valued at market value as reported on recognized exchanges.*

b) Policies for the recognition of investment appreciation, depreciation and income

The difference between the market value and the cost of the investments held net of deferred income taxes, is shown as unrealized appreciation or depreciation and is recorded in shareholders' equity. The average cost basis is used to determine the gain or loss on disposal of investments.

Transactions are recorded at trade date. Gains and losses realized on sales are recorded in net income.

Forward contracts are revalued with the resultant unrealized gains and losses being included in unrealized appreciation or depreciation and recognized in the statement of operations when positions mature or are closed out. There were no forward contracts outstanding as at January 31, 1999 and 1998.

Option fees paid or received are deferred and are recognized in the statement of operations when options expire or are closed out. Unrealized gains and losses on options are recognized with investments and as a component of unrealized appreciation or depreciation in the market value of investments in shareholders' equity. There were no options outstanding as at January 31, 1999 and 1998.

Dividend income is recognized on the ex-dividend date.

c) Income taxes

The Company follows the tax allocation method of accounting whereby provision for income taxes is based on the income and realized gains and losses reported in the statement of operations. Shareholders' equity reflects deferred income taxes on unrealized appreciation or depreciation in the value of precious metals and securities held at the end of the year.

d) Foreign currency translation

The market values of foreign investments are translated into Canadian dollars at the closing rate of exchange for the year. Translation gains and losses are reflected in shareholders' equity as a component of the net unrealized appreciation or depreciation in the value of investments.

Other assets and liabilities in foreign currencies are also translated at closing rates. Translation gains and losses are reflected in net income.

Purchases and sales of foreign investments, and foreign income and expenses, are translated at the rates of exchange prevailing on the dates of the respective transactions. Any exchange gains or losses on the settlement of the transactions are reflected in net income.

3. BANK LOAN

The Company has a revolving term credit facility in an amount equal to the least of \$25,000,000; 25% of the value of the total assets of the Company; or 100% of the net asset value of cash, cash equivalents and securities traded on a recognized stock exchange that have a trading value of greater than \$2.00 held by the Company. All outstanding amounts are repayable on March 12, 2001, but may be extended each year by an additional calendar year, at the option of the bank, by providing the bank with a written request. Interest on the revolving credit facility accrues, at the Company's option, at either a Canadian chartered bank's prime lending rate plus 1/4 of 1% or Corporate Bankers' Acceptance rate plus 0.90%. The Company has provided the debtholders with a security interest in all of the assets of the Company. At January 31, 1999, the Company had borrowings of \$6,300,000.

The Company's borrowings under the revolving term credit facility bear interest at floating rates and, accordingly, their carrying value approximates fair value.

4. CAPITAL STOCK AND WARRANTS

	1999		1998	
	NUMBER	AMOUNT	NUMBER	AMOUNT
Class A shares				
Balance, beginning of year	7,424,372	\$ 85,754	7,427,938	\$ 85,795
Shares purchased and cancelled	(12,700)	(147)	(3,566)	(41)
Balance, end of year	<u>7,411,672</u>	<u>85,607</u>	<u>7,424,372</u>	<u>85,754</u>
Class A share purchase warrants	<u>2,520,000</u>	<u>2,520</u>	<u>2,520,000</u>	<u>2,520</u>
Common shares	<u>3,000</u>	<u>1</u>	<u>3,000</u>	<u>1</u>
Contributed Surplus		<u>31</u>		<u>-</u>
		<u>\$ 88,159</u>		<u>\$ 88,275</u>

a) Share Capital

The authorized share capital is comprised of an unlimited number of Class A shares and 3,000 common shares.

Each Class A and common share ranks equally as to voting and dividend rights and equally on wind up, after Class A shareholders receive \$9.425 per share.

Dundee Investment Management & Research Ltd. (formerly Goodman & Company Ltd.) "the Manager" owns all of the common shares.

b) Warrants

At January 31, 1999 and 1998, there were 2,520,000 Class A share purchase warrants outstanding. Each warrant entitles the holder to purchase one Class A share at any time up to February 20, 2004 at \$25.00 per share.

c) Shares purchased

During 1999, the Company purchased and cancelled 12,700 Class A shares under its normal course issuer bid. The difference between the stated capital cost of \$146,634 of these shares and the cash consideration paid of \$115,757 (cost of \$9.11 per share) was allocated to contributed surplus.

During 1998, the Company purchased and cancelled 3,566 Class A shares having a stated capital cost of \$41,189 for a total cash consideration of \$50,423 (cost of \$14.14 per share). The purchase premium of \$9,234 was charged to retained earnings.

5. MANAGEMENT AND PERFORMANCE FEES

Management and performance fees are paid to the Manager under the terms of investment management and advisory agreements. The base management fee is comprised of monthly fees calculated at 1/12 of 1% of total assets. An annual performance fee may be paid, dependent upon the Company meeting certain performance criteria, to a maximum of 2% of average monthly total assets. There were no performance fees payable for the year ended January 31, 1999 and 1998.

6. INCOME TAXES

The reconciliation of combined Federal and Provincial statutory income tax rate of 44.62% to the effective tax rate on earnings is as follows:

	1999	1998
(Tax Recovery) at statutory rate	\$ (2,750)	\$ (10,867)
Non-deductible interest	1,019	-
Canadian dividends	(42)	(29)
Non-taxable portion of capital loss	351	2,572
Other	-	188
Income tax charge on settlement	5,445	-
Income tax provision	\$ 4,023	\$ (8,136)

During the year, the Company settled all its outstanding Federal tax appeals with Revenue Canada for the taxation years up to and including January 31, 1995, relating to the tax treatment of investment gains. The Company anticipates that the principles upon which this settlement was based will apply to all subsequent years and will be followed by the Ontario tax authorities. The current income tax expense includes a charge of \$5,445,000, which reflects both the settlement with Revenue Canada for the above years and an estimate of a settlement for subsequent years and an estimate of a settlement with the Ontario Ministry of Finance. The Company is currently accounting for taxes based on the assumptions used in settling the Federal appeals. Actual assessments could differ from these estimates. The cumulative retroactive effect of applying these principles has been reflected in the current year and has resulted in a total adjustment to deferred income tax balances of \$16,294,000 and a corresponding increase in income taxes recoverable.

7. RELATED PARTY TRANSACTIONS

All transactions between related parties are conducted at normal commercial rates. The Company may have dealings in the normal course of business with a related party to whom commissions are paid as agents in the purchase and sale of securities.

8. UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure, which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Company, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

In May 1995, The Toronto Stock Exchange adopted a by-law (the "TSE By-Law") with respect to corporate governance of listed companies. This by-law was passed in response to the Report of The Toronto Stock Exchange Committee on Corporate Governance in Canada, dated December 1994 (the "TSE Report"). The by-law included a proposed guideline for corporate governance but does not require listed companies to adopt these guidelines. Pursuant to the TSE By-Law, listed companies must disclose annually their approach to corporate governance.

The TSE Report paid a considerable amount of attention to the make-up and independence of the Board of Directors of a company. The TSE Report defines an unrelated director to be a director who is independent of management and is free from any interest in any business or relationship which could, or could reasonably be perceived to, materially interfere with the directors ability to act with a view to the best interests of the company, other than interest and relationships arising from shareholding. Significant shareholders are not considered to be related directors. A significant shareholder is defined by the TSE Report to be a shareholder who has the right to vote the majority of the outstanding voting rights for the election of directors.

The following disclosure sets out the Company's approach to corporate governance during fiscal 1999.

Mandate of the Board

The Board of Directors of the Company operates pursuant to the mandate set out in the Canada Business Corporations Act which is to supervise the management of the business and affairs of the Company and act with a view to the best interests of the Company.

As a closed-end investment holding company, the Board of Directors is responsible for the general investment policies of the Company and the management of the investment portfolio is carried out by the Manager, Dundee Investment Management & Research Ltd., pursuant to an investment management agreement. The Articles of Incorporation of the Company provide the specific investment restrictions which are applicable to the investments which can be made by the Company.

The frequency of meetings and the nature of agenda items may change from year to year depending on the Company's affairs. However, there are always at least quarterly Board meetings. At each quarterly Board meeting there is a complete update of the business and affairs of the Company and a review of the investment portfolio and investment activities presented to the Board of Directors by management and the Manager. For the fiscal year ended January 31, 1999 the Board met four times.

Composition of the Board

During the fiscal year ended January 31, 1999 the Board of Directors was composed of 11 members. The Board of Directors has concluded that of the 11 directors in fiscal 1999, seven (64%) were unrelated to the Company and the Manager.

Board Committees

The Audit Committee is the only standing committee of the Board of Directors. From time to time ad hoc committees of the board may be appointed as necessary or as may be required by law, which would include any requirements with respect to any related party transactions which might be considered.

The Audit Committee for fiscal 1999 was composed of three directors, all of whom were outside and unrelated directors. The Audit Committee is responsible for reviewing the Company's financial reporting procedures, internal controls and the performance of the Company's external auditors. The Committee also reviews the annual audited financial statements. During fiscal 1999, the members of the Audit Committee were Alfred Holland, Howard Kelly and William Wilson.

Board Performance

The Board of Directors in fiscal 1999 did not consider it necessary to formally assess the effectiveness of the Board of Directors. The Board of Directors regularly assesses the performance of the Manager and the Company.

Shareholder Feedback

The Company does not have an investor relations department. All shareholder or investment community inquiries are directed to the Corporate Secretary or the Chief Financial Officer. Shareholder inquiries are responded to promptly by the appropriate individual within the Company.

Expectations of Management

The Board of Directors believes it is critical that management of the Company, including the Manager, provide complete and accurate information with respect to the business and affairs of the Company and an analysis of the investment portfolio. To date, the Board of Directors believes that such information has been provided which has allowed the Board to be effective in carrying out its mandate. Four of 11 directors are related to the Manager including the portfolio manager primarily responsible for the investment portfolio and involved in the day-to-day operations of the Company. This is viewed by the Board of Directors as being important and beneficial.

Board Approval

The Board has no formal policy setting out what specific matters must be brought by management to the Board for approval; however, there is a clear understanding between management and the Board through historical board practice and accepted legal practice that all transactions or matters of a material nature or with respect to dealings between the Company and the Manager must be presented for approval by the Board.

It has been the experience to date of the Board of Directors that the matters which have been brought forward to the Board for approval have been appropriate.

	1983	1984	1985	1986	1987	1988	1989	1990
JANUARY		9.48	8.16	10.41	13.00	13.87	11.85	12.36
FEBRUARY		10.44	7.99	10.31	13.41	13.50	12.07	12.18
MARCH		10.56	9.03	10.40	15.40	14.55	12.03	11.56
APRIL		10.31	8.94	10.11	17.52	14.11	11.58	10.74
MAY		10.31	8.92	10.08	16.79	14.23	11.43	10.95
JUNE		9.81	8.68	10.04	16.49	13.96	11.74	10.68
JULY		8.42	9.24	9.89	18.87	13.54	11.61	11.02
AUGUST		9.11	9.78	11.12	18.65	13.46	11.60	10.84
SEPTEMBER		9.11	9.07	12.12	18.95	12.41	11.70	10.60
OCTOBER		8.74	8.87	11.81	14.99	12.28	11.56	9.48
NOVEMBER	9.85	8.84	9.34	11.92	16.14	12.16	12.30	9.39
DECEMBER	9.76	8.02	9.01	12.00	15.38	11.88	12.23	9.75

	1991	1992	1993	1994	1995	1996	1997	1998	1999
JANUARY	8.42	8.25	8.21	16.68	16.10	21.09	21.65	15.41	13.58
FEBRUARY	9.03	8.21	8.67	16.90	16.03	23.26	23.27	15.60	13.69
MARCH	8.96	7.94	9.62	17.74	16.76	23.63	21.61	15.75	13.52
APRIL	8.62	7.44	10.78	17.07	17.45	25.20	20.92	16.23	
MAY	8.71	7.95	12.56	17.64	17.33	26.59	21.11	15.19	
JUNE	9.03	8.12	13.48	17.22	18.02	23.76	19.52	13.82	
JULY	9.11	8.58	14.84	17.56	18.09	22.97	18.26	13.66	
AUGUST	8.31	8.31	14.18	17.57	17.88	25.20	18.58	11.96	
SEPTEMBER	8.29	8.56	13.31	18.47	17.70	24.20	18.50	13.69	
OCTOBER	8.35	8.05	14.64	18.31	16.94	22.90	17.07	14.29	
NOVEMBER	8.63	7.89	14.58	17.15	17.46	22.60	15.02	14.07	
DECEMBER	8.32	7.99	16.26	17.38	17.80	22.43	15.15	13.77	

The figures exclude cumulative dividends of \$4.50 per share paid between September 1987 and January 1992.

Directors

DEREK H.L. BUNTAIN
Paget, Bermuda

PETER C. CAVELTI
Toronto, Ontario

JONATHAN GOODMAN
Toronto, Ontario

NED GOODMAN
Innisfil, Ontario

ALFRED T. HOLLAND
Toronto, Ontario

HOWARD L. KELLY
Saint Anicet, Québec

GARTH A.C. MACRAE
Toronto, Ontario

DONN L. MORGAN
West Vancouver,
British Columbia

RONALD SINGER
Montréal, Québec

PETER STEEN
Vancouver, British Columbia

WILLIAM G. WILSON
Dublin, Ireland

Officers

GARTH A. C. MACRAE
Director & Chairman

JONATHAN GOODMAN
Director, President &
Chief Executive Officer

RAY BENZINGER
Vice-President Finance &
Chief Financial Officer

CAROLE COLBERT
Secretary

ROSANNA GATTI
Controller

Copies of the Company's Quarterly and Annual Reports are available on written request from our registrar:

Montreal Trust Company of Canada
151 Front Street West, 8th Floor
Toronto, Ontario
Canada M5J 2N1

