UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F \ A

(Mark One)

9 **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

: **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 1999

OR

9 **TRANSITIONAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________________ to ____________________

Commission file number 1-13056

CAMBIOR INC.
(Exact name of Registrant as specified in its charter)

Not applicable
(Translation of Registrant's name into English)

Province of Québec, Canada
(Jurisdiction of incorporation or organization)

800 René-Lévesque Boulevard West, Suite 850
Montreal, Québec, Canada H3B 1X9
(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act

Title of each class	Name of each exchange on which registered
Common Shares without par value	American Stock Exchange
Common Share Purchase Rights	American Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

December 31, 1999: 70,562,871

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

9 Yes : No

Indicate by check mark which financial statement item the registrant has elected to follow.

: Item 17 9 Item 18

Explanatory Notes :

1. *All dollar amounts presented in this Form 20-F are expressed in U.S. dollars, unless otherwise indicated.*

2. *Production results are in metric units, unless otherwise indicated.*

3. *Cambior Inc. carries on business in Canada. Subsidiaries and associated companies of Cambior Inc. carry on business in Canada and elsewhere. In this Form 20-F, the words “Company” and “Cambior” are used interchangeably and in each case refer, as the context may require, to all or any of Cambior Inc., its subsidiaries and associated companies.*

Special Note Regarding Forward-looking Statements

This Form 20-F contains or incorporates by reference certain information that may constitute "forward-looking statements", as defined in the **United States Private Securities Litigation Reform Act of 1995.** All statements other than statements of historical fact set forth herein, including, without limitation, statements regarding implementation of the Company's financial restructuring plan and possible legal and regulatory consequences of the Company's difficulties in late 1999, potential mineralization and reserves, exploration results and future plans and objectives of the Company, are forward-looking statements that may involve a number of known and unknown risks, uncertainties and other factors. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.

Forward-looking statements, which involve assumptions and describe the Company's future plans, strategies and expectations are generally identifiable by use of the words "may", "will", "should", "expect", "anticipate", "estimate", "believe", "intend" or "project" or the negative of these words or other variations on these words or comparable terminology.

The following are some of the important factors that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements: possible legal or regulatory developments as a result of the Company's difficulties in late 1999; hazards normally encountered in the mining business including unusual or unexpected geological formations, rock bursts, cave-ins, floods and other conditions; delays and repair costs resulting from equipment failure; liability under environmental legislation; uncertainties in mining reserves and mineral resources, competition for mining properties with Canadian and foreign companies that may have substantially greater financial and other resources; material fluctuations in metal prices; foreign currency fluctuations; risks involved with investments in developing countries including stability of legislation and policy, unilateral revocation of mining rights and political instability; the potential adverse effects of unresolved Year 2000 problems, including those that may be experienced by key suppliers and customers; federal, state and provincial legislation governing the acquisition and ownership of mining rights, mining duties, income taxes, labor, health, safety standards, exports and other related matters. **Such risks and uncertainties are more particularly disclosed in the Risk Factors section of Item 1 below and, as regards specific assets, projects or activities, in the relevant portions of this Form 20-F.**

Any forward-looking statement speaks only of the date on which it is made and the Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for the Company to predict which factor will arise.

FOREWORD

On May 19, 2000, Cambior Inc. (“Cambior” or the “Company”) filed its 1999 Annual Report on Form 40-F. At that time, it was unaware that it was ineligible to do so because it failed to meet the “public float” test in Item A (2) (iv) of the General Instructions to Form 40-F. On September 29, 2000, Cambior filed its Annual Report on Form 20-F for the year ended December 31, 1999 after consultation with the staff of the Securities and Exchange Commission (“SEC”). That Annual Report reflected, among other things, information required by Form 20-F that is not required by Form 40-F, the reclassification for purposes of United States accepted accounting principles (U.S. GAAP) of certain projects as exploration stage rather than development stage and corrections to financial statements footnote disclosure regarding the treatment of purchase options sold.

This amended Annual Report on Form 20-F reflects the results of further consultations with the staff of the SEC and reflects a number of improvements and corrections.

Glossary

"AMEX" or **"NASDAQ-AMEX"** means the American Stock Exchange.

"By-product" means a secondary metal or mineral product recovered in the milling process.

"Carbon-in-pulp (CIP) process" means a process used to recover dissolved gold from a cyanide leach slurry. Coarse activated carbon particles are moved counter-current to the slurry, absorbing gold as it passes through the circuit. Loaded carbon is removed from the slurry by screening. Gold is recovered from the loaded carbon by stripping in a caustic cyanide solution followed by electrolysis.

"Carbon-in-leach (CIL) process" means a modification of CIP whereby carbon is added directly into the slurry during leaching as opposed to CIP where carbon is added after leaching is complete.

"Counter-parties" means the persons that the Company has entered into hedging transactions with and include the Company's lenders.

"Depletion" means the decrease in quantity of mining reserves in a deposit or property resulting from extraction or production.

"Depreciation" means amortization of costs over the life of an asset, including depreciation of physical assets, depletion of mining properties and amortization of developments costs.

"Direct mining costs" means costs directly related to the physical activities of producing metal, including mining, milling and administration expenses at the operating level. Direct mining costs excludes transportation and refinery costs, by-product credits and royalties.

"Hedging" means a financial mechanism designed to guarantee, improve and/or protect the price or benefit to be received or paid on certain commodities such as gold or currencies.

"LIBOR" means the prime interest rate *per annum* at which deposits in U.S. dollars are loaned by banks in the London interbank market.

"Mark-to-market valuation" is defined as an estimate, as of a point in time, of the costs or benefits that would result from the early termination of a hedge position. This estimate is based upon reasonable estimates of relevant future market conditions, including the price of gold, interest rates and implied volatility of the price of gold.

"Mineralized material[*]" means a mineralized body which has been delineated by appropriately spaced drilling and/or underground sampling to support a sufficient tonnage and average grade of metals to warrant further exploration. Such a deposit does not qualify as a reserve, until a comprehensive evaluation based upon unit cost, grade, recoveries, and other material factors conclude legal and economic feasibility.

"Ounce" means 1 troy ounce, equal to 31.103 grams or 1.097 ounces avoirdupois.

"Reserves[*]" means that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.

> **Proven (Measured) Reserves** means reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling; and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.
>
> **Probable (Indicated) Reserves** means reserves for which quantity and grade and/or quality are computed form information similar to that used for proven (measured) reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven (measured) reserves, is high enough to assume continuity between points of observation.

"Stope" means the underground excavation from which the ore body is extracted.

"Stoping" means the process of mining the ore body.

"Tailings" means the material that remains after all metals considered economic have been removed from ore during milling.

"Tailings pond" means a containment area used to deposit tailings from milling.

"TSE" means the Toronto Stock Exchange.

(*)

The definitions relating to mining reserves and mineralized material are based on definitions set forth in the Industry Guide no. 7 entitled "Description of property by Issuers Engaged or to be Engaged in Significant Mining Operations" of the Securities and Exchange Commission.

Conversion Table

METRIC SYSTEM		IMPERIAL SYSTEM
1 metre (m)	=	3.2808 feet (ft)
1 kilometre (km)	=	0.6214 mile (mi)
1 square kilometre (km^2)	=	0.3861 square mile (mi^2)
1 gram (g)	=	0.0322 troy ounce (oz)
1 kilogram (kg)	=	2.2046 pounds (lbs)
1 tonne (t)	=	1.1023 tons (t)
1 gram/tonne (g/t)	=	0.0292 ounce/ton (oz/t)

SYMBOLS USED

Ag	=	silver
Au	=	gold
Cu	=	copper
FeNb	=	ferroniobium
Nb_2O_5	=	niobium pentoxide
Zn	=	zinc

EXCHANGE RATES

The following table sets forth, for each period presented, the high and low exchange rates, the average of the exchange rates on the last day of each month during the period indicated, and the exchange rates at the end of the period indicated for one Canadian dollar expressed in U.S. dollars, based on the noon rate established for customs purposes by the Federal Reserve Bank of New York.

	Year Ended December 31,					
	1995	**1996**	**1997**	**1998**	**1999**	**2000**
High	$0.7527	$0.7513	$0.7487	$0.7105	$0.6893	$0.6969
Low	$0.7023	$0.7234	$0.6945	$0.6341	$0.6535	$0.6410
Average for Period	$0.7305	$0.7332	$0.7221	$0.6740	$0.6757	$0.6732
End of Period	$0.7323	$0.7301	$0.6999	$0.6504	$0.6925	$0.6669

PART I

Item 1. Description of Business.

1.1 INCORPORATION

The Company was incorporated on November 7, 1973 under the name "Niobec Inc." and was continued under Part IA of the *Companies Act* (Québec) pursuant to a certificate of continuance dated November 29, 1985. At the time of its continuance, the Company amended its articles so as to enable itself to issue shares to the public.

The Company's articles were amended on March 14, 1986 to change its name to "Cambior Inc." and on May 13, 1986 to increase the number of directors. The articles were further amended on July 23, 1986 to provide for, amongst other things, the creation of an unlimited number of Class I Preferred Shares and 10 million Class II Preferred Shares, and the relocation of its head office from Montreal to Val d'Or, Québec.

Cambior's articles were restated on January 1, 1988 when the Company amalgamated with Rouanda Mines Inc., a wholly-owned subsidiary of Cambior, itself a product of the amalgamation between Aiguebelle Resources Inc. ("Aiguebelle") and another wholly-owned Cambior subsidiary. The Company's articles were again restated on January 1, 1994 when Cambior amalgamated with VSM Exploration Inc. ("VSM"), a wholly-owned Cambior subsidiary acquired through private purchases followed by an insider bid.

On May 4, 2000, the articles of the Company were further amended to provide for the creation of 5,000,000 Class I Preferred Shares, Series 1, which are, among other things, convertible into common shares of the Company without par value, during the 90-day period commencing on the effective date of Articles of Amendment following the confirmation by shareholders of a by-law providing that the common shares of the Company having a par value of CAN $4.00 each, whether issued or unissued, shall be without nominal or par value ("By-Law 2000-2").

Following confirmation of By-Law 2000-2 by more than two thirds of the shareholders of the Company at the annual general and special meeting of shareholders held in Montreal on June 22, 2000, the articles of the Company were amended on June 29, 2000, to provide that the common shares of the Company, whether issued or unissued, shall be without nominal or par value.

The Company's registered office is located at 1075, 3rd Avenue East, Val d'Or, Québec, J9P 6M1, and its executive office at 800 René-Lévesque Blvd. West, Suite 850, Montreal, Québec, H3B 1X9.

1.2 SUBSIDIARIES

Cambior Inc. owns substantially all of its Canadian assets directly and serves as the holding company for the other companies in the group. This section of this Form 20-F describes all of Cambior's publicly-held associated companies as well as its main private subsidiaries **and a diagram**

illustrating the principal affiliates and associates in Cambior's corporate structure is set forth on page 11 (with the jurisdiction of incorporation for each company shown in brackets under the company's name). Save and except for Omai Gold Mines Limited in the share capital of which Cambior holds voting shares as well as non-voting preferred shares, all shares held by Cambior in these companies are voting shares. **The location of Cambior's principal assets is illustrated on the page following the diagram.**

1.2.1 Canada

In Canada, Cambior has two publicly-held associated companies, Hope Bay Gold Corporation Inc. (known as Cambiex Exploration Inc. from its inception up until June 20, 2000) ("Hope Bay") and Zappa Resources Ltd. ("Zappa"), during 1999.

At the initiative of Cambior, Hope Bay made its initial public offering in 1993, the proceeds of which were used to acquire from Cambior various interests in exploration properties located in Québec. A second public offering, in 1994, allowed Hope Bay to acquire from Cambior additional property interests in Chile, French Guiana, Peru, Canada and the United States of America. Its registered office is located at 800 René-Lévesque Blvd. West, Suite 850, Montreal, Québec, H3B 1X9.

In 1999, Cambior entered into an agreement whereby Hope Bay acquired 50% of Cambior's interest in the Tortue and Maripa properties located in French Guiana, in consideration of (i) Hope Bay's 15% indirect interest in the Yaou and Dorlin properties, and (ii) the incurring of exploration and development expenditures totalling $1.5 million on the Tortue and Maripa properties over a two-year period.

On May 1st, 2000, Cambior and Hope Bay entered into an agreement whereby Cambior agreed to exchange all of its exploration interests located in French Guiana, with the exception of the Yaou-Dorlin properties, for all of Hope Bay's interests in exploration properties located in the Abitibi region of the Province of Québec. This transaction was conditionally approved by the Toronto Stock Exchange ("TSE") and should be completed during the first half of year 2001. On June 20, 2000, more than two thirds of Hope Bay's shareholders approved its change of name, which became effective the same day.

Cambior currently holds 8,600,000 common shares of Hope Bay, representing 6.48% of the total currently outstanding (and 4.64% on a fully-diluted basis) as of December 31, 2000. Common shares of Hope Bay trade on the TSE (since 1994) under the symbol HGC (CBX prior to the change of name). Since April 11, 2000, 14,536,912 common share purchase warrants of Hope Bay also trade on the TSE. Each of these warrants entitles its holder to acquire one common share of Hope Bay at a price of CAN $0.55 up until May 1st, 2001. Cambior does not hold any of these warrants.

Cambior holds, as of the date hereof, 6,747,570 common shares of Zappa, being approximately 28.2% of the total outstanding (24.2% on a fully-diluted basis). Its registered office is located at 789 West Pender Street, Suite 570, Vancouver, British Columbia, V6C 1H2. Zappa's common shares trade on the Canadian Venture Exchange under the symbol ZPA.

1.2.2 United States

Cambior USA, Inc. ("Cambior USA"), a wholly-owned subsidiary of Cambior, is the body corporate that serves as the holding company for Cambior's other United States subsidiaries. On August 13, 1991, Cambior USA bought all the shares of Westmont Mining Inc. ("Westmont") whose articles were amended on February 3, 1992 to change its name to "Carlota Copper Company". **More detailed information on this subsidiary's principal asset, the Carlota project, is given in subsection 1.4.4.1 (a) (ii) below.**

At the end of the first quarter of 2000, the administrative offices of Cambior USA were closed. All correspondence and communications are now directed to Carlota Copper Company's office at 1306 Live Oak Street, P.O. Box 1009, Miami, Arizona, 85539, USA.

1.2.3 International

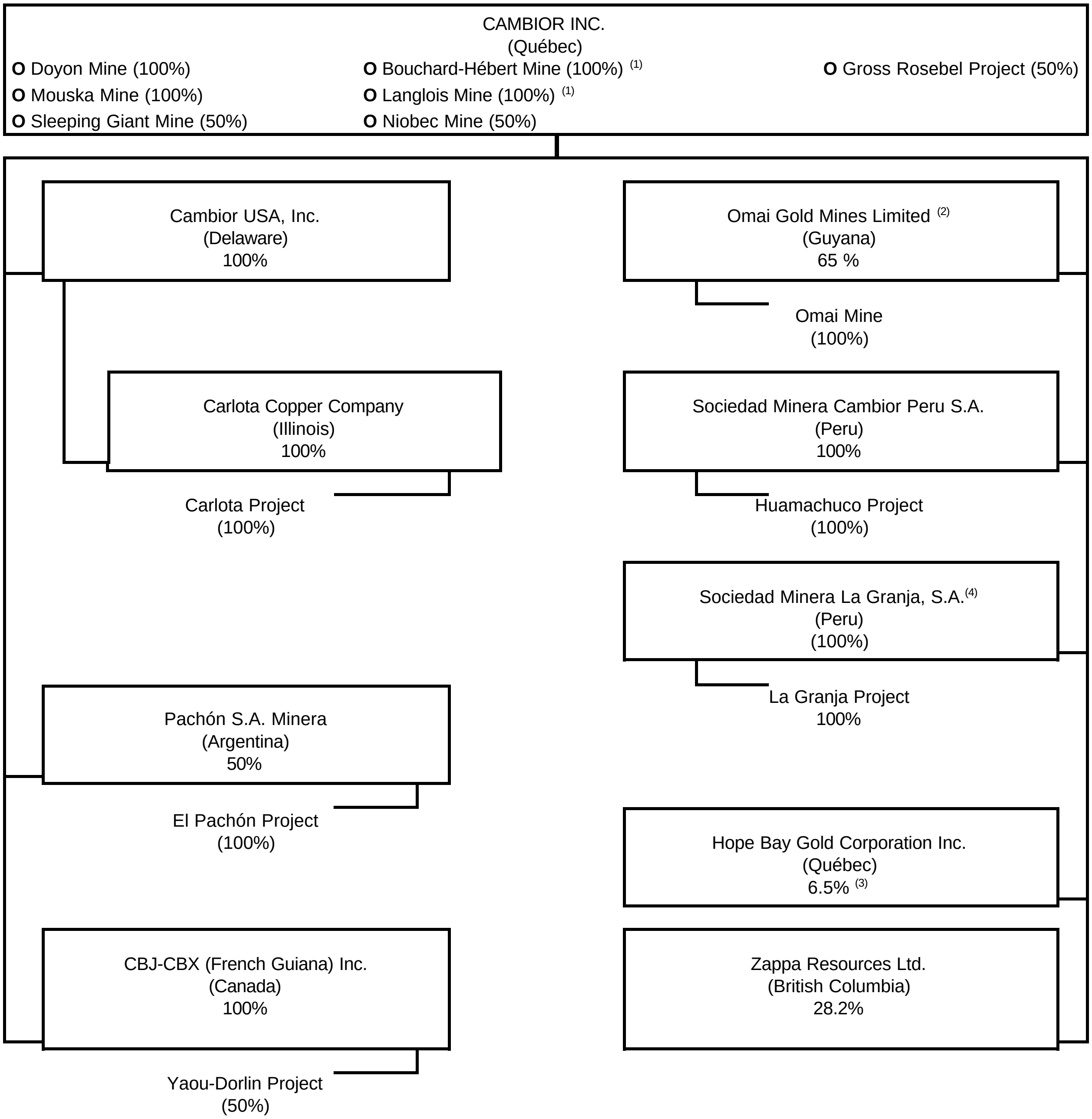
Omai Gold Mines Limited ("OGML"), a 65%-owned subsidiary of Cambior, was incorporated on August 15, 1991 pursuant to the *Companies Act* of the Cooperative Republic of Guyana ("Guyana"), and continued on February 3, 1997 under section 339 of the *Companies Act 1991* (Guyana). OGML holds the mining rights and the assets comprising the Omai Mine and manages operations thereat. **More detailed information on this subsidiary and the Omai Mine is given in subsection 1.4.4.3 (a) below.**

Since the time of its incorporation, OGML has maintained an administrative office at 176-D, Middle Street, Cummingsburg, P.O. Box 12249, Georgetown, Guyana.

Cambior subsidiaries incorporated in Barbados (including Cambior Holdings (Barbados) Inc. and SMLG Holdings (Barbados) Inc.) perform holding company functions and financing operations for selected affiliates of Cambior outside of Canada.

Cambior currently holds interests in, and options to earn, direct or indirect interests in exploration and development properties located in Argentina, French Guiana, Peru and Suriname. Cambior holds such interests primarily through subsidiaries and associated companies incorporated under the laws of such jurisdictions. Finally, Cambior has exploration and development offices in French Guiana and Peru through wholly-owned subsidiaries incorporated under the laws of each such jurisdiction. **More detailed information on such exploration properties is given in subsections 1.4.4.3 (b) and 1.4.4.4 below.**

Figure 1. Cambior's Corporate Structure



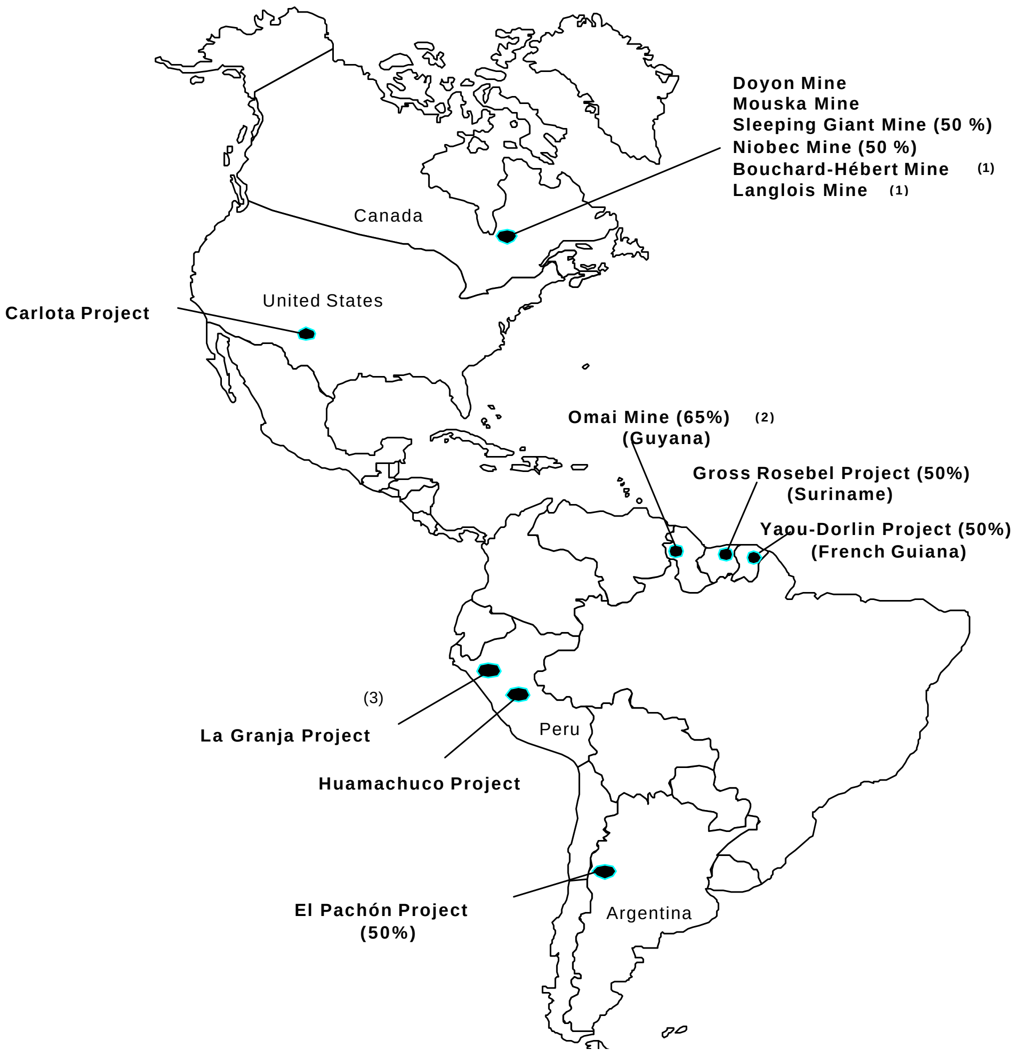
(1) On May 17, 2000, Cambior sold its 100% participation in the Bouchard-Hébert and Langlois Mines to Breakwater Resources Ltd.; **more detailed information is provided under section 1.3, "General Development of the Business".**

(2) Notwithstanding minority interests in OGML, Cambior accounts for its investment on a fully consolidated basis and reports 100% of production due to OGML's capital structure and the rules governing cash flow distribution.

(3) As at December 31, 2000.

(4) On December 8, 2000, Cambior sold its 100% participation in the share capital of Sociedad Minera La Granja, S.A. to a wholly-owned subsidiary of Billiton Plc; **more detailed information is provided under section 1.3, "General Development of the Business".**

Figure 2. Cambior's Mines and Projects - Location



(1) On May 17, 2000, Cambior sold its 100% participation in the Bouchard-Hébert and Langlois Mines to Breakwater Resources Ltd. ; **more detailed information on that transaction is provided under section 1.3, "General Development of the Business".**

(2) Notwithstanding minority interests in OGML, Cambior accounts for its investment on a fully consolidated basis and reports 100% of production due to OGML's capital structure and the rules governing cash flow distribution.

(3) On December 8, 2000, Cambior sold its 100% participation in the share capital of Sociedad Minera La Granja, S.A. to a wholly-owned subsidiary of Billiton Plc; **more detailed information is provided under section 1.3, "General Development of the Business".**

1.3 GENERAL DEVELOPMENT OF THE BUSINESS

1.3.1 Historical Background

On August 13, 1986, Soquem Inc. (“Soquem”) transferred to Cambior its 50% interest in the Doyon and Niobec mines, its various interests in 46 mining exploration properties and its participations in the share capital of four publicly-traded companies. Simultaneously, Cambior completed an initial public offering to finance these acquisitions and initiate its activities.

From 1987 to 1994, the Company gradually became a full-fledged international operating company with the acquisition of mining operations, development projects and exploration properties in the province of Québec, Canada, in the United States, in Mexico and in South America, namely in Argentina, French Guiana, Guyana, Peru and Suriname.

In 1995, Cambior completed the construction of the Langlois Mine and also commenced activities in Ecuador with Zappa. A tailings dam failure on August 19, 1995, entailed a temporary shutdown of operations at the Omai Mine, which resumed in February 1996.

On February 29, 1996, the Company received net proceeds of approximately CAN $160 million from the issuance of 8 million common shares at CAN $20.875 per share. These funds enabled Cambior to make investments totalling over $114 million on various projects during 1996. Operations at the Langlois Mine were suspended in December 1996 due to low zinc prices and the modification to the mining methods used thereat.

In 1997, Cambior produced 520,031 ounces of gold, resulting mainly from record production of 338,496 ounces at the Omai Mine. Operations at the Langlois Mine resumed on July 1st, 1997, and feasibility studies for the El Pachón, La Granja and Gross Rosebel projects were submitted to the Company’s Board of Directors during the year. The Company’s efforts to obtain environmental permits for the Carlota project resulted in a favorable Record of Decision by the United States Forest Service in July 1997.

On January 21, 1998, the Company entered into an agreement with Metallica Resources Inc. (“Metallica”) for the joint development of the Cerro San Pedro project, in Mexico. This agreement provided for Cambior to retain a 50% interest in the project by funding $20 million in development expenditures.

On January 27, 1998, the Company purchased Barrick Gold Corporation’s (“Barrick”) 50% interest in the Doyon Mine for a consideration comprising (i) $95 million in cash, (ii) the transfer of a 50% interest in an exploration property and (iii) the grant of a participation right in future revenue from the Doyon Mine given a market price of gold above $375 per ounce. The Company completed a public offering for net proceeds totalling $50 million to finance the initial installment of the cash consideration. At the closing of this offering, on February 3, 1998, Cambior issued 10,200,000 common shares at CAN $7.50 per share.

During 1998, Cambior produced 637,825 ounces of gold. The increase in the Company's gold production was mainly attributable to the acquisition of the additional 50% interest in the Doyon Mine. In light of sustained weakness in the gold market, Cambior posted a non-cash write-down of $24 million in the fourth quarter of 1998, mainly due to the write-off of the Metates gold property in Mexico.

1.3.2 Year 1999 and Recent Developments

1.3.2.1 General

On February 10, 1999, the Company announced that its environmental management system was awarded the ISO 14001 certification, and stated its belief to be the first mining company in Canada and the first gold mining company in the world to achieve such certification. Referred to as "the green standard", ISO 14001 is an outgrowth of ISO 9000, both of which were developed by the International Organization for Standardization, based in Switzerland.

On April 20, 1999, Cambior confirmed that it had engaged in confidential discussions over a period of several weeks with TVX Gold Inc. ("TVX") with a view to concluding a business combination agreement with TVX. The board of directors of TVX declined Cambior's proposal.

Cambior and Teck Corporation ("Teck") completed in November 1999 a feasibility study for an expansion of the concentrator at the Niobec Mine in Québec and construction commenced forthwith thereafter. The objective of the expansion is to allow the Niobec mine to maintain its historical market share of the worldwide niobium market.

Further to a filing in August 1998, OGML has been served with a "Representative Action" claiming the Guyanese dollar equivalent of approximately $100 million as compensation for alleged damages as a result of a tailings dam failure that occurred at the Omai mine, in Guyana, in August 1995; this "Representative Action" claims to represent 23,000 claimants. **More detailed information concerning the foregoing and other claims and proceedings relating to the same event, is provided in subsection 1.4.4.3 (a) under "Tailings Dam Failure".**

On September 15, 1999, a Summary Judgment was rendered in favour of the U.S. Forest Service and Carlota Copper Company (an indirect wholly-owned subsidiary of Cambior) on all of the issues in the litigation brought by environmental groups opposing the permits granted to Carlota by the U.S. Forest Service. This judgment was not appealed. In addition, by August 24, 1999, the Carlota Copper Project had received all major permits required in order to construct the project.

1.3.2.2 Gold Market and Hedging

One of the two defining moments for the gold market during 1999 was the United Kingdom treasury's announcement on May 7 that the government had decided to sell 415 tonnes of its gold reserves representing 58% of its gold holdings. That decision rapidly translated into a wave of transactions that carried the market price of gold to a 20-year low on July 20, 1999 ($252.80 per ounce). Gold prices for the third quarter of 1999 as a whole averaged $259 per ounce.

The second major factor that affected the gold market in 1999 was the agreement signed on September 26 by the European Central Bank and 14 other central banks in Europe to limit their collective sales at 400 tonnes of gold per year over the next five years and to limit gold lending and related activities to existing levels. This announcement provoked a strong reaction from speculators and gold producers and the gold price soared to a peak of $325 per ounce on October 5, 1999, averaging $311 per ounce for October and stabilizing at averages of $293 and $283 per ounce in November and December 1999, respectively.

The Company had implemented a hedging strategy in 1999 based on variable volume forward contracts and on buying put options and selling call options, in anticipation of continued depressed gold market conditions throughout the year. When gold prices surged unexpectedly in late September of 1999, many more of the call options that Cambior had issued earlier in the year were exercised than Cambior had anticipated. As a result, Cambior's delivery commitments exceeded its then available gold reserves. This unexpected development in the gold market defeated the Company’s intended hedging strategy and required Cambior to account for its exposure as if it were a speculative position.

The Company had made use in the past of selling call options through the combination of buying puts and selling calls in establishing forward positions and/or gold loans. At the end of 1997, the Company’s gold delivery commitments totalled 2,513,000 ounces of gold, including 1,863,000 ounces of contingent delivery obligations under call options. A total of 635,000 ounces of call options were entered into, concurrently with the purchase of puts, in establishing the monetization price of the 1997 gold loan. By the end of 1998, the Company’s gold delivery commitments amounted to 4,789,000 ounces of gold, including 3,990,000 ounces of contingent delivery obligations under call options. The increase in call options of 2,127,000 ounces of gold in 1998 includes 900,000 ounces to monetize the 1998 gold loan and the remaining ounces to hedge future production. At the end of the first quarter of 1999, the Company’s gold delivery commitments had decreased to 3,046,000 ounces of gold, including 2,439,000 ounces of contingent delivery obligations under call options. The decrease in call options by 1,551,000 ounces of gold in the first quarter of 1999 is due to the expiry of 560,000 ounces of call options and the restructuring of the remaining 1,071,000 ounces by way of reducing quantities with the lowering of strike prices. During the second and third quarters of 1999, the Company entered into two variable volume forward (“VVF”) contracts, thereby increasing the contingent delivery obligations by 1,178,000 ounces of gold. Although the total call position at the end of the second and third quarters, compared with the end of the first quarter, decreased slightly, restructured and expired call options were replaced during this six-month period with lower priced call options through 1 put / 2 calls transactions.

Cambior’s consistent practice established over more than 10 years with hedge counter-parties had been to roll short-term positions until eventual delivery of production from its proven and probable reserve base. Given the disorderly and highly illiquid gold market conditions that prevailed in October 1999 and the substantial potential financial liability that the Company presented towards its hedging counter-parties, some financial institutions declined to roll their positions with Cambior.

At the end of the third quarter of 1999, Cambior had 1.54 million ounces of gold delivery obligations at an average strike price of $281 per ounce through put options and spot deferred contracts with expiry dates prior to December 31, 1999. The Company also had 0.92 million ounces of contingent delivery obligations under call options at an average strike price of $287 per ounce with expiry dates prior to December 31, 1999. These positions far exceeded the Company's production capacity, which totaled 0.17 million ounces in the fourth quarter of 1999.

This situation had a devastating impact, requiring that Cambior negotiate with all of its hedge counter-parties and its lenders (collectively the "Financial Creditors") to resolve the resulting delivery timing issues. The group of hedging counterparts consisted of 11 financial institutions, most of which were also acting as lenders under Cambior's credit facility.

As at October 6, 1999, Cambior publicly reported that its hedging program, as of September 30, 1999, included the following gold hedging positions which included naked puts, forwards, matched put/call and spot deferred positions:

	Forward		Deferred Gain ($/oz)	Total ($/oz)
Intended date of delivery	**Ounces (000)**	**Average Price ($/oz)**		
1999	158	335	28	363
2000	643	298	22	320
2001	639	292	9	301
2002	597	291	--	291
2003	127	331	--	331
2004	102	340	--	340
2005	102	340	--	340
2006	112	357	--	357
2007	192	357	--	357
Total	2,672	309	9	318

As of September 30, 1999, Cambior had also sold the following call options for a total of 1.9 million ounces at an average price of $315 per ounce with a floating lease rate swap on 647,000 ounces:

CALL OPTIONS		
	Ounces (000)	**Average Price ($/oz)**
1999	921	287
2000	299	323
2001	382	352
2002	302	348
Total	1,904	315

1.3.2.3 Negotiations with Financial Creditors, Standstill Agreement and Credit Agreements

On October 27, 1999, Cambior entered into a standstill agreement (the "Standstill Agreement") pursuant to which the Financial Creditors agreed to defer Cambior's gold delivery obligations under hedging contracts maturing during the standstill period and to waive compliance with certain related provisions of Cambior's credit facility agreement. The Standstill Agreement was to remain in effect until November 26, 1999, unless earlier terminated. Under the Standstill Agreement, Cambior was required to grant a security interest in the Doyon mine and related assets to the Financial Creditors and to commit to grant security over additional assets; to convert LIBOR borrowings under the credit facility agreement to U.S. Base Rate borrowings (resulting in higher interest payments by Cambior); to submit to independent technical, financial and environmental reviews; not to incur additional indebtedness during the standstill period without the consent of the Financial Creditors; not to pay dividends or sell material assets during the standstill period; not to modify its gold hedging position except in accordance with agreed measures to improve Cambior's aggregate position; and to pay standstill fees of $400,000 and other related expenses to the Financial Creditors.

After signing the Standstill Agreement, Cambior's discussions with the Financial Creditors centered on a more complete restructuring of Cambior's loan repayment and gold delivery obligations with a view to making more specific and longer-term arrangements regarding the orderly fulfilment of Cambior's gold delivery obligations under its hedging contracts over time. On October 29, 1999, Cambior announced that it had reduced its gold hedging position (in comparison to its position as at September 30, 1999) by 1.3 million ounces. This reduction, made with a view to improving its aggregate hedging position, results from the purchase of 1 million ounces of gold at an average price of approximately $ 300 per ounce, which were applied to close out contracts for the delivery by Cambior of an equal number of ounces under its then current portfolio. Such reduction generated a loss of approximately $33 million which was reflected as a pre-tax charge to earnings for a corresponding amount in Cambior's third quarter financial statements, and as a demand loan to Cambior by the Financial Creditors. As a result, Cambior's loan obligations to its Financial Creditors then stood at approximately $212 million.

The standstill period, which was originally scheduled to expire on November 26, 1999, was extended successively to December 10 and December 22, 1999. On December 12, 1999, Cambior announced that it had reached an agreement in principle with its Financial Creditors regarding the restructuring of its obligations to such Financial Creditors. On December 22, 1999, Cambior entered into a restructuring agreement, an amended and restated credit facility agreement and other related agreements (collectively, the "Credit Agreements") with the Financial Creditors, which provide, among other things, the following:

- Cambior's loan obligations to the Financial Creditors, which then totalled approximately $212 million, shall extend to and mature on December 31, 2000. All loans remain denominated in U.S. dollars and no additional borrowings under the Credit Agreements are permitted.

- Interest on such loans was payable monthly at LIBOR plus 0.75% *per annum* until June 30, 2000. Additional interest charges equal to 3.25% *per annum* also commenced to accrue upon signing of the Credit Agreements, but payment thereof, together with payment of restructuring fees equal to 1% of the loan and hedge exposure amount, were deferred until June 30, 2000, subject to mandatory prepayment if asset sales occur or additional capital is raised prior to such date.

- Changes were made to Cambior's hedging portfolio whereby its flexible forward positions, including spot deferred contracts, and call options with initial maturities in 1999 and early 2000, were reduced and restructured into fixed forward positions maturing over three years. Cambior's gold hedging program as of December 22, 1999, had been reduced to 1.8 million ounces at an average price of $333 per ounce (including a deferred gain of $11/oz), and the naked call position had been reduced to a total of 784,000 ounces at an average price of $349 per ounce. The Company has gold sales commitments exceeding its forecast gold production for the years 2000 to 2002 because Cambior cannot, under the hedge covenant included in the Credit Agreements, convert currently outstanding call options into spot deferred contracts.

- Cambior's obligations to the Financial Creditors are subject to acceleration if Cambior defaults on its obligations under the Credit Agreements or if satisfactory arrangements to repay or refinance the loan by December 31, 2000 are not in place by September 30, 2000; this deadline has been extended to October 31, 2000; **see below under subsection 1.3.2.12 of this Form 20-F.**

- Cambior had the obligation to make an interim payment of $75 million (including deferred fees and deferred interest) to the Financial Creditors by June 30, 2000.

- Loan amounts under the Credit Agreements that remain outstanding after June 30, 2000 are subject to additional interest charges which could, after taking into account the interim payment of $75 million by June 30, 2000, result in additional payments to the Financial Creditors in the order of $2 million if the balance owing remains outstanding until maturity.

- Cambior agreed to restrictions on capital expenditures, hedging activities, additional borrowings from third parties and dividend payments, an asset sale approval mechanism and a commitment to use a substantial portion of the proceeds from asset sales or equity financing to repay obligations to the Financial Creditors.

C In addition to the previous charge over the Doyon mine granted pursuant to the Standstill Agreement, Cambior has granted the Financial Creditors a fixed charge on its Mouska, Bouchard-Hébert and Langlois mines, as well as a floating charge on Cambior's assets generally. Other fixed charges on Cambior's assets may be created in due course.

If the Company fails to meet its obligations under the Credit Agreements, the ongoing operations of the Company may be compromised, which may in turn have a material adverse effect on the Company.

As at December 31, 1999, Cambior's estimated mark-to-market loss under its gold hedge positions (excluding deferred hedging gains) totalled $55.4 million. Such estimate was based on a spot price of gold of $290.25 per ounce and market conditions prevailing on December 31, 1999 and was derived from estimates provided by hedge counterparties.

1.3.2.4 Efforts to Effectuate a Value-Maximizing Transaction for Cambior's Shareholders

On October 29, 1999, Cambior announced that it had retained UBS Bunting Warburg Inc. ("UBS Warburg") as its financial advisor to assist it in considering possible courses of action which would allow Cambior to reduce indebtedness and maximize shareholder value. In November 1999, UBS Warburg began contacting representatives of certain other mining companies in Canada and elsewhere with a view to determining their interest in various forms of transactions.

At a Board meeting of Cambior held on November 25, 1999, based in part upon UBS Warburg's findings and recommendations, the Board determined that shareholder value would most likely be maximized through a significant reduction of Cambior's obligations to the Financial Creditors and through the "unbundling" and sale of certain assets of Cambior. These assets included Cambior's gold division, whose operating mining assets are located in Québec and Guyana, and all or some of its non-gold assets. The sale process envisaged separate purchasers for the gold division and for the non-gold assets individually or collectively. The Board instructed UBS Warburg and Cambior's management to implement a process designed (i) to produce proposals for asset sales and other transactions (including corporate reorganizations which would assist in such asset sales or other transactions) within a three to five month time frame, and (ii) to enable Cambior to meet its obligations to its Financial Creditors, including the $75 million interim payment due on or before June 30, 2000 (see below), in a timely fashion.

Commencing on or about November 29, 1999, UBS Warburg began contacting parties which had expressed interest in a transaction with Cambior. The Board also instructed UBS Warburg to give all qualified participants in the proposed auction process an equal opportunity to bid for the whole of Cambior should they so wish.

Commencing on December 15, 1999, Cambior began entering into confidentiality agreements with interested parties with respect to certain confidential information to be provided to them by Cambior concerning its assets. Such information was provided in part through confidential information memoranda which were prepared and distributed to potential transaction parties commencing December 22, 1999.

1.3.2.5 Take-Over Bid by Aur Resources Inc.

By January 17, 2000, being the day of the announcement by Aur Resources Inc. ("Aur") of its intention to make an unsolicited take-over bid on all of the Company's shares outstanding (the "Offer"), numerous parties had executed confidentiality agreements and had received confidential information relating to Cambior's assets. Certain of these parties had indicated their willingness to participate in a formal due diligence process with respect to these assets. The objective of the process continued to be to emphasize the asset unbundling strategy adopted in November 1999 by the Board and to produce, over a period of some months, proposals for asset sales and other transactions with the anticipation that such transactions would close within three or four months.

On January 18, 2000, Cambior's Board of Directors instructed UBS Warburg to adapt, to the extent possible, the multi-month process it had just launched in late December 1999 in order to take into account the timetable of the Offer. UBS Warburg was also instructed to canvass immediately all possible interest in Cambior's non-gold operations.

On January 24, 2000, Aur mailed its Offer circular to Cambior shareholders. On January 31, 2000, UBS Warburg delivered its preliminary assessment of the Offer and advised the Board of its efforts to date in soliciting alternatives to the Offer.

In the meantime, Cambior, directly and through its financial advisors, was in contact with a number of third parties who had expressed interest in a possible transaction with Cambior. Several executed confidentiality agreements with Cambior and received confidential information memoranda. The Company provided the opportunity for some of these interested parties to visit the key mining properties in which they had expressed an interest. Certain of these parties also examined documents pertaining to Cambior in data rooms established by the Company. These initiatives resulted in discussions between UBS Warburg and certain of these parties with respect to the transaction structures they would be prepared to consider.

At a meeting held on February 2, 2000, the Board of Directors of Cambior unanimously determined the Offer to be deficient in several material respects and advised Cambior shareholders not to tender their Common Shares under the Offer until further communication was to be received from the Board of Directors, for the following reasons:

- the Offer was highly conditional;
- there was a potential immediate acceleration of Cambior's obligations to the Financial Creditors upon a change of control of Cambior;
- the Offer was coercive because it was open only for a period that falls well short of the 60-day period contemplated for a "Permitted Bid" under the Rights Plan;
- the Offer sought to pre-empt and truncate Cambior's value maximization process which contemplates divestitures of particular assets to purchasers likely to pay the maximum price for such assets;
- the timing of the Offer was opportunistic, having regard to the depressed condition of the market for gold and shares of gold producers;
- the effective premium under the Offer was significantly reduced by the dilutive effect of the Offer;

- the Offer failed to unlock or fully recognize the value of Cambior's assets; and
- other offers or alternatives might have emerged, including a competing bid for all of the Common Shares of Cambior, a sale of Cambior's gold division or individual gold assets, and a sale of all or some of Cambior's non-gold assets.

A Directors' Circular in response to the Offer was mailed on February 2, 2000, to all Cambior shareholders and, on the same date, Cambior, through UBS Warburg, offered to provide Aur with information regarding Cambior, including information of the type sought by Aur in correspondence addressed to Cambior, in return for a postponement of the expiry date of the Offer.

Cambior's Board of Directors recommended in a Supplemental Circular dated and mailed to Shareholders on February 9, 2000, that Cambior Shareholders reject the Offer, subject to any further communication from the Board, based (i) on the reasons stated above and (ii) an opinion received from UBS Warburg stating that the consideration under the Offer was inadequate from a financial point of view to Cambior Shareholders; a copy of the opinion was included in the Supplemental Circular.

On March 6, 2000, Aur announced that it had withdrawn its Offer and that it had agreed in principle to purchase interests in a copper mine in Chile. A condition of the Offer was that Aur not, prior to the expiry of the Offer, enter into any alternative acquisition transaction.

1.3.2.6 Agreement with Breakwater Resources Ltd.

Cambior concluded on March 14, 2000, an Asset Sale and Purchase Agreement with Breakwater Resources Ltd. ("Breakwater") for the sale of the Bouchard-Hébert and Langlois mining operations in the Abitibi region of Northwestern Québec with related net working capital and metal hedging obligations, for a cash consideration of $48 million. Breakwater provided a down payment deposit of $2 million in support of this transaction and the remainder of the purchase price was paid in cash at closing on May 17, 2000. Cambior obtained written consents and the discharge of security interests in the Bouchard-Hébert and Langlois mines from the Financial Creditors and written consents to the assignment of base metal hedging and other material contracts in favor of Breakwater.

1.3.2.7 1999 Financial Results

On April 21, 2000, Cambior announced its financial results for the fiscal year ended December 31, 1999, which principally featured revenues totalling $332 million, earnings before interest, taxes, depreciation and amortization (EBITDA) totalling $82 million, cash flow from operations of $17 million ($0.24 per share) and a net loss of $358 million ($5.07 per share). This loss essentially resulted from (i) a writedown of mining assets totalling $291 million and (ii) a restructuring charge of $57 million that is mainly composed of the costs caused by the reduction of the Company's gold hedging program. The write-down of assets ensued from a re-evaluation by the Company of all of its mining assets in the context of an asset disposal program and then current market conditions. **More detailed information regarding the Company's financial results is provided hereinafter under Item 8 - "Selected Financial Data", Item 9 - "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in the comparative financial statements presented in Item 17 - "Financial Statements" for the year ended December 31, 1999.**

1.3.2.8 Private Placement with Jipangu Inc.

On May 5, 2000, Cambior concluded a $5 million private placement with Jipangu Inc. ("Jipangu"), a Japanese company focused on the gold sector. Jipangu subscribed for 5,000,000 units (the "Units") at a price of $1.00 (approximately CAN $1.47) per Unit, with a view to ultimately holding 5,000,000 common shares of Cambior and 5,000,000 common share purchase warrants ("Warrants"), each Warrant entitling Jipangu to subscribe one additional common share at a price of CAN $1.60 per share (approximately U.S. $1.08 per share) until October 31, 2001. Proceeds from the private placement were applied to reduce Cambior's obligations to the Financial Creditors.

Given that Cambior's common shares had a par value of CAN $4.00 per share at the time of this private placement, each Unit initially consisted of one newly created Class I Preferred Share, Series 1 (the "Series 1 Shares") and one Warrant. Each Series 1 Share was convertible without payment of further consideration, at the option of Cambior or Jipangu, into one common share of Cambior without par value during the 90-day period commencing on the effective date of the amendment of Cambior's articles following the confirmation by the shareholders of Cambior of a by-law changing all issued and unissued CAN $4.00 par value common shares into a like number of common shares without par value. More than two thirds of Cambior's shareholders confirmed such by-law at its annual and special meeting of shareholders held on June 22, 2000, and Cambior's articles were amended on June 29, 2000, to provide that the common shares of the Company, whether issued or unissued, shall be without nominal or par value.

The Series 1 Shares are non-voting shares and carry no predetermined dividend commitments. However, while they remain outstanding, they rank prior to the common shares with respect to the payment of dividends and return of capital. The Series 1 Shares are, subject to certain restrictions, redeemable at the option of the holder at any time commencing October 1, 2000, at a price equal to the consideration paid for their issue plus any declared and unpaid dividends. On July 17, 2000, Jipangu elected to convert its 5,000,000 Series 1 Shares into the same number of common shares without par value and, accordingly, this conversion took place as of the same date; as a result, Jipangu currently holds 5,000,000 fully paid and non-assessable common shares of Cambior without par value.

Although it remains a private, unlisted company, approximately 1,500 investors, all or substantially all of whom are Japanese, currently hold Jipangu shares. Jipangu focuses on gold sector investments, and its strategy is to acquire direct interests in gold mining assets, gold project financings and substantial equity positions in gold mining and exploration companies.

Jipangu currently holds approximately 6.6% of Cambior's outstanding common shares on an undiluted basis. Assuming the exercise of all of the 5,000,000 Warrants, Jipangu would hold approximately 12.4% of Cambior's outstanding common shares.

1.3.2.9 Sale Agreement with Glamis Gold Ltd.

On May 8, 2000, Cambior sold its 100% participation in the shares of Cambior de Mexico, S.A. de C.V. ("Cambior Mexico"), Cambior's Mexican holding company, to Glamis Gold Ltd. ("Glamis"). Glamis also purchased from Cambior a crusher system originally acquired by Cambior for use at the Cerro San Pedro Project in Mexico. Cambior received cash proceeds of $9.5 million from Glamis of which $7 million is attributed to the shares of Cambior Mexico and $2.5 million to the crushing plant. Proceeds from this sale (together with proceeds from the above-described private placement with Jipangu) were used to reduce Cambior's obligations to the Financial Creditors.

Cambior Mexico's assets included 50% of Minera San Xavier, S.A. de C.V., which owns the Cerro San Pedro gold and silver project in San Luis Potosi; 100% of Cambior Metates, S.A. de C.V., which owns a 50% interest in the Metates gold project in the State of Durango; and 100% of Cambior Exploration, S.A de C.V., which held interests in a variety of gold exploration projects in Mexico.

1.3.2.10 Mortgage Loan on Cambior's 50% Interest in the Niobec Mine

On June 30, 2000, Cambior closed mortgage loans on its 50% interest in the Niobec mine for an aggregate of $13 million from Jipangu (as to $10 million) and a financial institution (as to $3 million). The aggregate proceeds of these loans, together with a portion of Cambior's available cash, enabled the Company to complete payment of the $17.2 million remaining to be repaid to its Financial Creditors, to meet its $75 million repayment obligation by June 30, 2000. The material terms and conditions of each such loan are identical in all material respects, and are as follows:

- interest has been fixed on a cash basis per year at a *per annum* rate of LIBOR plus 250 basis points;
- the original term is 4.5 years;
- the repayment shall be made in 16 consecutive quarterly installments commencing on March 30, 2001, with the final maturity date being December 31, 2004; and

C recourses of the lenders, *pari passu*, are limited to Cambior's 50% interest in the Niobec assets and in Cambior's share of the cash flow generated by the Niobec mine; security interest over Cambior's 50% interest in the Niobec mine was granted to the lenders.

In connection with this mortgage loan, Jipangu received, at its request, its facility fees through the issuance of 2.5 million common share purchase warrants, each such warrant conferring upon Jipangu the right to purchase one (1) common share of Cambior at a price of $0.75 on or before December 31, 2000. Assuming the exercise of the aforesaid 2,500,000 warrants combined with the exercise of the 5,000,000 Warrants referred to above **under subsection 1.3.2.8,** Jipangu would hold approximately 15.1% of Cambior's outstanding common shares. The financial institution received its facility fees in cash.

1.3.2.11 Sale of the La Granja Copper Project

On November 27, 2000, Cambior announced the sale of its indirect 100% interest in the La Granja copper project in northern Peru to Billiton Investment 9 B.V. ("Billiton"), a wholly-owned subsidiary of Billiton Plc, for a consideration of $35 million. The closing of that sale occurred on December 8, 2000 and the proceeds therefrom were entirely applied to reduce Cambior's indebtedness.

On September 14 and 15, 2000, Cambior had previously announced the conclusion of an arrangement with Empresa Minera Del Peru S.A. ("Minero Peru") regarding the sale to a third party (no reference to Billiton's identity was made at that time) of its interest in the La Granja project. Under the agreed arrangement, Minero Peru, a state-owned Peruvian entity, had issued a public call for bids on an option to purchase Minero Peru's royalty interest in the La Granja Project and Billiton committed to submit a bid that met Minero Peru's minimum bid requirements and concluded a formal sale and purchase agreement with Cambior (the "Cambior Agreement"). Billiton emerged as the winning bidder and, accordingly, purchased the La Granja property from the Company.

On September 15, 2000, Cambior had also announced the aforesaid third party's commitment (Billiton was not identified then) to submit a bid meeting at least Minero Peru's minimum bid requirements and such third party's execution of the Cambior Agreement, the effectiveness of which was subject to said third party being the winning bidder.

1.3.2.12 Partial Repayment of Jipangu's Mortgage Loan with Proceeds of a Private Placement

Cambior announced on December 21, 2000 that Jipangu agreed to conclude a $6.3 million private placement for the subscription of 15 million common shares of Cambior at a price of US $0.42 per share (approximately Can $0.64), a 73% premium over the closing price of Cambior's shares on the TSE on December 20, 2000.

This private placement closed on January 18, 2001 and, as a result, Jipangu then held, and still holds, approximately 22% of Cambior's common shares outstanding (or 20 million common shares) on an undiluted basis. Proceeds from this private placement were used to repay in part Jipangu's $10 million mortgage loan in respect of Cambior's 50% interest in the Niobec mine **(reference is made to subsection 1.3.2.10 above)** and, accordingly, said mortgage loan was reduced to $3.7 million.

1.3.2.13 Completion of the Financial Restructuring

On January 12, 2001, Cambior completed its financial restructuring with the simultaneous closing of a revised $65 million credit facility and a $55 million prepaid gold forward sale. The aggregate proceeds of the credit facility and the prepaid gold forward sale were used to refinance Cambior's remaining bank debt.

Cambior has entered into a $65 million five-year credit facility with a banking syndicate led jointly by The Chase Manhattan Bank of Canada and the Bank of Nova Scotia and including the National Bank of Canada and Société Générale. The credit facility consists of a $55 million non-revolving term loan and a $10 million revolving credit facility, and bears interest at LIBOR + 3.00% until March 31, 2001. From then on, the interest spread will vary from 2.0% to 3.0% based on certain financial ratios. The minimum repayments of the facility are $5 million in each of 2001 and 2002, $20 million in each of 2003 and 2004 and $15 million in 2005. The facility also provided for a 2% upfront fee.

This credit facility contains certain covenants, including a mandatory hedging program, which provides that Cambior's commitments to deliver gold will not, at anytime, exceed 90% of its total proven and probable reserves. It further requires that, after March 31, 2001, Cambior will be required to have hedges in place on a minimum of 70% of the forecasted loan life production in order to establish an average minimum gold price of $295/oz on all production, including the impact of the prepaid gold forward sale. As part of the mandatory hedging program, Cambior will have the right to roll forward its contracts up to the final maturity date of the loan. In addition, the hedging facility will not be subject to margin calls.

As part of the transaction, Cambior issued to the banking syndicate 1.3 million warrants to purchase common shares of Cambior at Cdn $0.56 per share. The warrants are exercisable at any time on or before December 31, 2005.

Cambior has also entered into a $55 million prepaid gold forward sale with Crédit Suisse First Boston ("CSFB") of 233,685 ounces of gold to be delivered on the last business day of each month from July 2001 to December 2005. This instrument is subject to a 2% establishment fee of the principal amount and will be accounted for as deferred revenue.

In 1999, Cambior had entered into variable volume forward contracts maturing at fixed delivery dates over the next seven years. In connection with the prepaid gold forward transaction, the variable volume forward structure will be reduced by 27% for the period from January 2001 to October 2007.

The closing of the sale of the La Granja copper project **(reference is made to subsection 1.3.2.11 above)** and the use of the full proceeds therefrom to reduce Cambior's debt level were conditions precedent to the closing of Cambior's financial restructuring. Another condition precedent was the subordination of Jipangu's mortgage loan **(reference is made to subsection 1.3.2.10 and 1.3.2.12 above)** to the new credit facility concluded with Cambior's creditors on January 12, 2001**.**

Cambior had obtained from its lenders on September 29, 2000 and on October 27, 2000, extensions pertaining to the submittal of committed arrangements (initially scheduled for September 30, 2000) to repay or refinance the balance of its loans by December 31, 2000, in accordance with the Credit Agreements. The obligation to submit these arrangements to the Financial Creditors was extended to October 31, 2000 and thereafter to November 30, 2000.

On December 28, 2000, Cambior had announced that all material conditions for the simultaneous closing of the revised $65 million credit facility and the $55 million prepaid gold forward sale agreement were fulfilled. However, final legal documentation and perfection of certain security on Cambior's assets were delayed and, consequently, the Financial Creditors agreed to a two-week extension for the completion of the financial restructuring up to January 12, 2001, with no additional financial charge or cost to Cambior.

1.3.3 Outlook

Cambior expects to produce approximately 600,000 ounces of gold and 1,176 tonnes of niobium for the 2000 fiscal year.

With the completion of its financial restructuring on January 12, 2001 **(reference is made to subsection 1.3.2.13 above)**, Cambior has stabilized its financial position and rescheduled its remaining financial obligations over the next five years. However, the Company's financial position, albeit stabilized, remains difficult and, in 2001, Cambior will pursue its efforts to sell its remaining copper assets, in particular the El Pachón project in Argentina and the Carlota project in the United States, with the proceeds therefrom to be used almost exclusively to further reduce its debt level. With these subsequent disposals, Cambior believes it will have generated sufficient financial flexibility to expand its gold activities.

Following the events described under **subsections 1.3.2.2 to 1.3.2.4** hereinabove inclusively, the Company has received inquiries and comments from a number of shareholders, and from the Ontario Securities Commission, the S.E.C. and the NASDAQ-AMEX, concerning the Company's prior disclosure of and accounting for its gold hedging activities. While the Company believes it has addressed appropriately all issues raised by such inquiries and comments as of the date hereof, it cannot rule out the possibility of litigation or regulatory proceedings, or predict the ultimate resolution of such litigation or other proceedings.

1.4 NARRATIVE DESCRIPTION OF THE BUSINESS

1.4.1 Mining Activities - Process and Products(*)

1.4.1.1 The Mineral Supply Process

Mineral projects are different from other types of industrial projects because of the problems and opportunities that arise from working with the geological environment. There are four special features of mineral projects in this respect. Mineral deposits are:

- initially unknown;
- fixed in size;
- variable in quality; and
- fixed in location.

The role of the mineral sector is to find, delineate and develop economic mineral deposits, and then to extract the valuable mineral commodities they contain for the benefit of society. The process of attaining economic production of minerals consists of a multistage series of activities by which minerals are converted from unknown geological resources to marketable commodities. The mineral supply process consists of three main phases : exploration, development and production.

The physical occurrence of mineral deposits in nature and the demand for mineral commodities in the economy provide the basic stimulus for mineral supply. Favourable perceptions of exploration geologists and market researchers regarding these geological and market factors combine to guide the selection of environments for exploration.

The mineral exploration phase is a sequential information-gathering process. In the primary exploration stage, potentially favourable areas of land are initially selected within an environment of interest and, then, these areas are subjected to a series of geological, geophysical, and geochemical tests. The successful result of primary exploration is the discovery of mineral occurrences. At this stage, the ultimate size, quality and value of each mineral occurrence is unknown.

The mineral occurrences discovered provide justification for the second, or delineation, stage of exploration, in which information is obtained for estimating the size, quality and physical characteristics of the discovery relevant to mineral extraction. The successful result of delineation is the definition of possible economic discoveries for evaluation.

When sufficient delineation has been completed, a decision is made that determines whether a mineral deposit should be developed to production. If the characteristics of the delineated deposit provide justification for mine development, what is perceived to be an economic mineral deposit is the end result of mineral exploration.

(*)

Text on pages 27 and 28 describing the mineral supply process is adapted from the Basics of Mining Modular Course provided by the Department of Mining and Metallurgical Engineering, McGill University, Montreal, Québec. Text on pages 28 to 31 describing gold, copper, zinc and niobium is adapted from the 1995 Grolier Multimedia Encyclopedia (copyright 1995 Grolier Incorporated), Mindscape Complete Reference Library (copyright Mindscape Inc.) and Microsoft Encarta 96 Encyclopedia (copyright 1993-1995 Microsoft Corporation).

The development phase establishes productive mining and mineral processing capacity. Processing may be required to upgrade the mine product to a concentrate (or, in the case of gold, doré bars) for transportation and sale. Thus, the construction of processing facilities is carried out in parallel with mine development. The installation of a mill at the minesite may be required, or a common processing facility may be used to treat ores from a number of mines in a region.

When a mine has been developed and related processing facilities constructed, the production phase commences. The mining stage may include the stripping of waste for open-pit mining, the preparation of stopes for underground mining, the development of ore reserves, drilling, blasting, materials handling to the processing facilities, the filling of mined-out stopes, and associated technical and planning services. The processing stage includes, for instance, crushing, grinding, flotation, filtering and drying for base metal ores, leaching or cyanidation followed by carbon-in-pulp adsorption for gold ore, tailings disposal, and the loading of concentrate products for shipment.

When ore reserves are exhausted, the mine is generally closed. During the rehabilitation phase, which may be initiated several years before mine closure, the minesite must be restored to a state compatible with the rest of the surrounding nature and topography. As well, safeguards must be taken to reduce to a minimum future damages to the environment that may result from surface subsidence and the exposure of underground openings as well as mine tailings to groundwater.

Cambior is a publicly-traded Canadian company which, together with its affiliates and associated companies, is involved primarily in mining and exploring for gold and, to an increasingly lesser extent, other metals and minerals from deposits and properties located in the Americas. In that respect, Cambior pursues more particularly the following activities:

- exploration for and delineation of mineral deposits;
- development and pre-production of deposits;
- construction of facilities required for mining;
- underground and open pit mining of ore;
- ore milling and concentrating to produce a commercial product; and
- marketing of minerals, metals and concentrates.

1.4.1.2 Gold

Gold is a bright yellow precious metal which is characterized by its malleability, ductility and high density. Gold is the third best electrical and thermal conductor, behind silver and copper. Although this metal is chemically stable (which means that its physical state does not change under the influence of air, heat, humidity and most solvents), it may nonetheless dissolve in certain cyanide solutions or in a mixture of nitric and hydrochloric acid. Despite its scarcity, gold is disseminated throughout the earth's crust. Commonly found in nature in the form of an alloy, it occurs in quartz veins or in secondary alluvial deposits (placers) in the form of dust, grains, flakes or nuggets (its rarest form).

From ancient times, gold has been known and prized for its beauty, luster, corrosion resistance and malleability. In addition, the processing of gold into pure form is relatively easier than the refining of most other metals. Alloyed with other metals to enhance its hardness, gold has been used extensively in minting. In recent times, gold has been chiefly used in jewellery and, to a lesser but progressively increasing extent, in industrial applications, given its low chemical reactiveness.

On account of its scarcity, gold has been widely used as a medium of exchange for international transactions, particularly during the 19th and 20th centuries. However, World War I disturbed the international monetary system, and the gold standard was gradually phased out, which furthered the rise of the US dollar as the main currency in international monetary transactions. Gold is negotiated on world markets at prices which may be subject to considerable fluctuations.

Cambior's gold production is regularly shipped to the Royal Canadian Mint, in Ottawa, Ontario, to Johnson Matthey, in Brampton, Ontario or to other refiners, to be refined and subsequently sold on the international market on a competitive basis. The existence of numerous companies and institutions capable of refining gold and the large number of gold buyers on the market prevent Cambior from having to depend on a single refiner or purchasing client. **Gold marketing considerations are reviewed in subsection 1.4.5.1 of this Item 1.**

The following table indicates the respective contributions from each of the producing gold mines and divisions in relation to Cambior's overall gold production for the last two years.

	1999		**1998**	
Cambior's share	**Ounces**	**% of total production**	**Ounces**	**% of total production**
Omai Mine	**306,100**	**48.6**	327,500	51.3
Doyon Division	**242,800**	**38.5**	239,600	37.6
Sleeping Giant Mine (50%)	**37,700**	**6.0**	35,700	5.6
Bouchard-Hébert and Langlois mines [1,2,3]	**43,400**	**6.9**	35,000	5.5
Total	**630,000**	**100.0**	637,800	100.0

(1) Gold and silver produced by the Bouchard-Hébert and Langlois mines are reported in gold equivalent.
(2) Mining operations at the Langlois Mine were suspended during November 1998 in order to repair the main ore pass at lower levels.
(3) On May 17, 2000, Cambior sold the Bouchard-Hébert and Langlois mines to Breakwater.

1.4.1.3 Copper

Copper is a ductile and malleable metal which has a metallic luster and a brownish to reddish colour. Copper is an excellent conductor of heat and, above all, electricity. Its chemical reactiveness is low; when exposed to a moist atmosphere, a green or bluish patina of copper carbonates (also called verdigris) forms on copper. Well disseminated, copper is more abundant throughout the earth's crust than gold. Cupriferous ores fall under two categories, namely oxidized ores and sulphurous ores, the latter requiring more elaborate processing for copper production.

The use and discovery of copper dates back to approximately 5000 BC. Copper, one of the very first metals to be used by mankind, ranks immediately behind iron for its diversity of uses throughout the ages. Today, copper is principally used in the electrical and chemical industries. Other applications of copper include plumbing, roofing, plating and minting. The use of copper in an alloy improves its hot and cold machining characteristics, strength and resistance to corrosion and wearing.

1.4.1.4 Zinc

Zinc is a bluish white, moderately hard and malleable metal. It is ductile when heated, but friable at room temperature. Zinc ranks twenty-fifth for its abundance in the earth's crust and is rather well disseminated. It is generally found in sulphides, carbonates and silicates.

Zinc is principally used in galvanizing, a process by which the surface of iron or steel is covered by a layer of zinc to inhibit corrosion. Zinc coating may be achieved by hot galvanization, that is by dipping the part to be coated in a bath of molten zinc; or by electrodeposition, a cold process used mainly for small objects. Zinc compounds, such as zinc oxide, zinc sulphide and zinc chloride, are also used in the manufacturing of various products. Depending on their characteristics, these compounds are used as an opaque base for cosmetics, white colouring matter for paint, phosphorescent medium for fluorescent lamps and cathodic screens, cooling medium in tires, soldering paste, wood preservative, etc. A significant proportion of the global zinc production is used in die casting, while a small portion goes into the manufacturing of dry batteries, roofing and gutters.

1.4.1.5 Niobium

Niobium is a greyish white metal which turns bluish when exposed to air for a long period of time. When polished, niobium resembles steel. Niobium is noted for its malleability, ductility and electrical conductivity. Niobium is characterized by its resistance to impacts, corrosion and high temperatures. As it is one of the few metals which does not react with uranium, it is used in the manufacturing of nuclear reactor cores.

Discovered in 1801, it was not until 1874 that a Swedish scientist succeeded in isolating the niobium element for the first time. Although the International Union of Pure and Applied Chemistry adopted and confirmed the name "niobium" in 1950, this metal is sometimes called "columbium". Niobium is mainly used in alloys, as it enhances impact strength as well as wear and corrosion resistance. It is also used in the manufacturing of superconducting magnets, and in medical applications such as the design of artificial joints and pacemakers. **Niobium marketing considerations are reviewed in subsection 1.4.5.1 of this Item 1.**

1.4.2. Proven and Probable Reserves[1]

(Cambior's share)			**December 31, 1999**			**December 31, 1998**
			@ $325/oz			**@ $325/oz**
GOLD OPERATIONS	**Tonnes (000)**	**Grade (g Au/t)**	**Ounces contained**	**Tonnes (000)**	**Grade (g Au/t)**	**Ounces contained**
Doyon Division (100%)[2] (U)						
Proven and probable reserves	10,623	6.3	2,166,000	11,057	7.4	2,632,800
Omai (100%) (OP)						
Proven and probable reserves	36,742	1.3	1,591,000	42,929	1.4	1,888,000
Sleeping Giant (50%)[5] (U)						
Proven and probable reserves	309	10.7	106,400	365	12.0	140,500
Bouchard-Hébert (100%)[3] (U)						
Proven and probable reserves	5,274	1.9	314,000	6,308	1.8	373,200
Langlois (100%)[3] (U)						
Proven and probable reserves	5,610	0.8	151,000	6,117	0.7	142,100
GOLD PROJECTS						
Cerro San Pedro (50%)[4, 5]						
Proven and probable reserves	31,726	1.1	1,050,100	21,400	1.0	660,500
TOTAL						
Proven and probable reserves			5,378,500			5,176,600

1 *Proven and probable reserves were estimated using a long-term gold price assumption of $325/oz in 1999 and 1998. The silver price used was $5.50/oz in 1999 and $5.00/oz in 1998. For purposes of determining reserves, the exchange rate used for the Canadian dollar was Cdn $1.45 per US $1.00 in 1999 and 1998. Reserves were estimated after mining recovery and dilution factors.*

2 *Includes reserves from the Mouska mine.*

3 *Gold equivalent, grade calculated form a Ag/Au ratio of 59:1 for 1999 and 65:1 for 1998. Cambior sold the Bouchard-Hébert and Langlois Mines to Breakwater on May 17, 2000.*

4 *The 1999 reserves at Cerro San Pedro were calculated using a gold price of $300/oz and a silver price of $5.50/oz. In 1998, Cerro San Pedro reported mineralized material. Cambior sold all of its indirect rights and interests in Cerro San Pedro to Glamis on May 9, 2000.*

5 *The figures reflect Cambior's share (*i.e. *an undivided 50% interest).*

(U) *Underground operation.*

(OP) *Open-pit operation.*

(Cambior's share)			**December 31, 1999**		**December 31, 1998**	
BASE METALS[1] AND MINERALS						
OPERATIONS	**Tonnes (000)**	**Grade**	**Contained Zinc Tonnes (000)**	**Contained Copper Tonnes (000)**	**Tonnes (000)**	**Grade**
Bouchard-Hébert (100%)[2] (U)						
Proven and probable reserves	5,274	4.73% Zn, 0.71% Cu 38.3 g Ag/t, 1.2 g Au/t	249	37	6,308	4.37% Zn, 0.75% Cu 38.5 g Ag/t, 1.3 g Au/t
Langlois (100%)[2] (U)						

(Cambior's share)			December 31, 1999			December 31, 1998
BASE METALS[1] AND MINERALS			**Contained Zinc**	**Contained Copper**		
OPERATIONS	**Tonnes (000)**	**Grade**	**Tonnes (000)**	**Tonnes (000)**	**Tonnes (000)**	**Grade**
Proven and probable reserves	5,610	9.45% Zn, 0.56% Cu 43 g Ag/t,0.1 g Au/t	530	32	6,117	8.99% Zn, 0.51% Cu 40.7 g Ag/t, 0.1 g Au/t
Niobec (50%)[4] (U)						
Proven and probable reserves	5,098	0.73% Nb_2O_5			5,273	0.73% Nb_2O_5
Total operations						
Proven and probable reserves			779	69		
PROJECTS						
Carlota (100%)						
Proven and probable reserves	95,854	0.44% Cu		467	95,854	0.44% Cu
El Pachón (50%)[4]						
Proven and probable reserves	439,706	0.62% Cu		2,713	439,706	0.62% Cu
La Granja (100%)[3]						
Proven and probable reserves	2,295,000	0.59% Cu		13,500	2,295,000	0.59% Cu
Total projects						
Proven and probable reserves				16,680		

1 *Proven and probable reserves were estimated using a long-term price for zinc of 55¢/lb and a long-term price for copper of $1.00/lb for both 1998 and 1999. For purposes of determining reserves, the exchange rate used for the Canadian dollar was Cdn $1.45 per US $1.00 in 1999 and 1998. Reserves were estimated after mining recovery and dilution factors.*

2 *Cambior sold the Bouchard-Hébert and Langlois Mines to Breakwater on May 17, 2000.*

3 *Cambior sold the La Granja Project to Billiton on December 8, 2000.*

4 *The figures reflect Cambior's share (i.e. an undivided 50% interest).*

(U) *Underground operation.*

The estimated average metallurgical recovery factor by operation and project is as follows:

Metallurgical Recovery[(1)]				
	Gold	**Silver**	**Copper**	**Zinc**
Operations				
Doyon Division	96%	-	-	-
Omai	93%	-	-	-

Sleeping Giant	97%	-	-	-
B.-Hébert	48%	34%	79%	85%
Langlois	30%	35%	77%	94%
	Nb_2O_5	**Nb**		
Niobec	**58%**	**97%**		
	Copper			
Carlota Projects	90%			
El Pachon	90%			
La Granja	88%			

(1) *Recovery rates vary depending on the metallurgical properties of each deposit and the production process used.*

The average drill spacing for each category of reserves reported for each mining operation and project is as follows:

Operations		**Average Drill Spacing Reserve Category**	
		Proven	**Probable**
Doyon	Main Area	10 m x 30 m	30 m x 40 m
	West Area	10 m x 15 m	20 m x 30 m
Mouska		14 m x 14 m	30 m x 30 m
Sleeping Giant		20 m x 20 m	30 m x 30 m
Bouchard-Hébert		20 m x 20 m	40 m x 40 m
Langlois	Zone 3	10 m x 15 m	20 m x 30 m
	Other Zones	20 m x 20 m	50 m x 50 m
Niobec		15 m x 23 m	30 m x 46 m
Omai		40 m x 40 m	60 m x 60 m

Projects		**Proven and Probable Reserves**
Cerro San Pedro	Overall	50 m x 50 m
	Central Area	25 m x 25 m
Carlota		45 m x 60 m
El Pachon		100 m x 100 m

La Granja	Initial 5-year pit	100 m x 100 m
	Outside initial 5-year pit	200 m x 200 m

Reserve estimates were performed or reviewed by Cambior's technical personnel. There are numerous uncertainties inherent in estimating proven and probable mining reserves, including many factors beyond the Company's control. The estimation of reserves is a subjective process, and the accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. Results from drilling, testing and production, as well as material changes in metal prices subsequent to the date of an estimate may justify revision of such estimates.

In calculating reserves, cut-off grades are established using the Company's long-term gold price and foreign exchange assumptions, the average metallurgical recovery rates and estimated production costs over the life of the related operation. For an underground operation, a cut-off grade is calculated for each mining method, as production costs vary from one method to another. For a surface operation, production costs are determined for each block included in the block model of the relevant operation.

The nature of mining activities is such that the extraction of ore from a mine reduces reserves. In order to renew reserves (at least partially) on most of its producing properties, the Company carries out exploration drilling at depth and laterally.

To establish the 1999 and 1998 year-end reserves, the Company used a long-term gold price of $325 per ounce. The base metal price assumptions were maintained, using a long-term price of $0.55/lb for zinc and $1.00/lb for copper. For the Canadian operations, a long-term exchange rate of $1.45 was used.

Proven and probable reserves for the gold operations and projects at January 1, 2000 was 5.4 million ounces compared to 5.2 million ounces at the beginning of 1999. A sensitivity analysis using a gold price of $300 per ounce indicates that reserves are 5 million ounces or an 8% reduction. The impact of a $300 gold price on the Doyon Division would be in the order of a 6% reduction, while the impact on the Omai mine is in the order of a 13% decrease.

Proven and probable reserves at the Doyon Division, net of 243,000 ounces produced in 1999, total 2.2 million ounces of gold compared to 2.6 million at the end of 1998. This reduction was caused by a revision in the mining plan and more conservative extraction parameters in certain sectors of the Doyon mine. The Omai mine mining reserves total 1.6 million ounces net of 306,000 ounces produced in 1999, compared to 1.9 million ounces at the beginning of the year.

In Canada, the Company currently owns interests in three gold mines and one niobium mine, all of which are in commercial production. The Company does not hold any right or interest in any producing mine outside of Canada, except for the Omai mine located in Guyana. Finally, the Company owns interests in numerous exploration properties located outside of Canada. **See below, under sections 1.4.3 and 1.4.4.**

1.4.3. Mining Activities - Canada

1.4.3.1 Gold Production

(a) Doyon Division

The Doyon Division comprises Cambior's wholly-owned Doyon and Mouska mines since January 1, 1998. Prior to January 1, 1998, the Division consisted only of Cambior's 50% interest in the Doyon mine. Financial and other operating information of the Doyon Division for the last three years is set forth in the following table.

DOYON DIVISION	**1999(1)**	**1998(1)**	**1997(2)**
Production			
Ounces (Au)	**242,757**	239,620	81,337
Tonnage milled (tonnes)	**1,356,705**	1,327,188	625,956
Grade milled (g Au/t)	**5.8**	5.8	4.3
Recovery (%)	**95**	96	95
Results ($/oz)			
Direct mining costs	**203**	226	298
Depreciation	**86**	76	63
Capital expenditures (in millions $)			
Buildings and equipment	**4.2**	6.0	2.8
Development	**16.6**	20.2	10.5

(1) The figures for 1999 and 1998 reflect a 100% interest in the Doyon and Mouska mines.
(2) The figures for 1997 reflect a 50% interest in the Doyon mine only.

During 1999, the exploration program included 23,700 metres of drilling at the Doyon Division. Proven and probable reserves at the Doyon Division stand as at December 31, 1999, at 10.6 million tonnes grading 6.3 g Au/t representing 2.2 million ounces of gold contained, compared to 2.6 million at the end of 1998. This reduction is caused by a revision in the mining plan and more conservative extraction parametres in certain sectors, in particular the pillars located in the upper portion of the Doyon mine. **More detailed information regarding the establishing of reserves is provided in section 1.4.2 of this Item 1.**

Gold production for the Doyon Division in 2000 is forecast at 245,000 ounces at an average direct mining cost of $210 per ounce.

(i) Doyon Mine

Effective January 1st, 1998, Cambior acquired the remaining 50% undivided interest in the Doyon mine from Barrick. As part of this transaction, Barrick was granted a participation right in future revenue from the Doyon mine, pursuant to which Barrick will receive an annual payment equal to 24.75% of (i) the surplus, if any, of the average market price (as defined in the January 27, 1998 purchase agreement) for one troy ounce of gold over $375, multiplied by (ii) the number of gold ounces produced at the Doyon Mine during the relevant year; this right applies to a maximum cumulative production of 2,600,000 ounces of gold as from January 1st, 1998, up to a maximum cumulative payment to Barrick of $30 million. No participation right payment was made during 1999.

Gold production for 1999 totalled 195,983 ounces compared to 192,636 ounces in 1998. During the first quarter of 1999, a major reorganization of work schedules was carried out. This and other initiatives enabled the Doyon Division to reduce its operating costs from $226 per ounce in 1998 to $203 per ounce in 1999.

Exploration drilling totalled some 6,156 metres in 1999. Surface and underground work conducted mainly on the southern portion of the Mouska intrusive resulted in the identification of three mineralized corridors. Definition drilling performed in 1999 totalled 56,787 metres.

Capital expenditures at the Doyon Mine totalled $14.1 million in 1999, with some $8.7 million spent on mine underground infrastructure required for level 12 and to access level 14.

As of December 31, 1999, the Doyon Mine employed 449 people compared to 492 employees as at December 31, 1998. The collective agreement covering the hourly workers terminated on November 30, 2000 and negotiations to renew it are underway. As at December 31, 2000, the Doyon Mine employed 426 people, of which 305 were unionized workers.

More detailed information regarding the Doyon Property's attributes such as location, title, geology and facilities is provided below in subsection 2.1.1.2 of Item 2 - Description of Property.

(ii) Mouska Mine

Gold production for 1999 totalled 46,774 ounces compared to 46,984 ounces in 1998. While 1999 gold production was comparable to 1998 production, it was affected by a reduced availability of stopes, a somewhat lower productivity and the preparation for the introduction of the sub-level stoping method. However, gold production in 1999 was favorably affected by extraction of higher grade ore from the Zone 50.

In 1999, development crews excavated 1,771 metres of drifts, 386 metres of conventional and Alimak raises for a total of 2,157 metres; exploration drilling totalled 10,958 metres. In surface exploration, the emphasis for 1999 was on the development of the Authier showing on the adjacent property, with 11 holes of drilling for 2,609 metres.

Capital expenditures totalled $6.7 million, and almost 75% of this amount was allocated to the sinking of an internal shaft. Further expenditures of $4.9 million will be necessary to complete the mine-deepening project.

As at December 31, 1999, 128 non-unionized employees were working at the Mouska Mine compared to 91 employees as at December 31, 1998. As at December 31, 2000, there were 107 non-unionized employees.

More detailed information regarding the Mouska Property's attributes such as location, title, geology and facilities is provided below in subsection 2.1.1.3 of Item 2 - Description of Property.

(b) Sleeping Giant Mine

Pursuant to a joint venture agreement with Aurizon dated January 29, 1991, Cambior is operator of the mine under the supervision of a management committee composed of two representatives of each participant.

During the late 1980's, Aurizon was the sole owner and operator of the mine, but temporary reserve depletion in 1991 resulted in a shutdown of operations. An exploration program funded by Cambior during 1992 led to the delineation of additional mining reserves and to Cambior's acquisition of a 50% undivided interest in the property. Commercial gold production resumed on July 15, 1993.

During 1999, development work totalled 5,878 metres and exploration work confirmed the extension at depth of lens 3 and led to the discovery of two new lenses south of the main shaft, below level 415. The Company's share of capital expenditures totalled $2.1 million and included $563,000 of deferred development, $625,000 to replace the Merrill Crowe circuit by a carbon-in-leach (CIL) circuit at the mill and $507,000 for exploration work.

Cambior's share of gold production from the Sleeping Giant Mine totalled 37,741 ounces in 1999 compared to 35,681 ounces in 1998 and is forecast at approximately 37,800 ounces in 2000. As at December 31, 1999, the Company's share of proven and probable reserves stood at 309,000 tonnes at 10.7 g Au/t, representing 106,400 ounces of gold contained.

Financial and operating information for the Sleeping Giant Mine for the last three years is set forth in the following table:

SLEEPING GIANT MINE (Cambior's 50% share)			
Production	**1999**	**1998**	**1997**
Ounces (Au)	**37,741**	35,681	24,760
Tonnage milled (tonnes)	**104,204**	95,889	73,970
Grade milled (g Au/t)	**12.0**	12.0	10.8
Recovery (%)	**94**	97	97

SLEEPING GIANT MINE (Cambior's 50% share)			
Production	**1999**	**1998**	**1997**
Results ($/oz)			
Direct mining costs	**198**	187	254
Depreciation	**42**	34	49
Capital expenditures (in millions $)			
Buildings and equipment	**0.8**	---	0.1
Development	**1.3**	0.7	0.6

As at December 31, 1999, 181 people were employed at the Sleeping Giant Mine, of which 138 are unionized hourly employees. The current collective agreement was renewed for a period of 3 years until August 1st, 2002. As at December 31, 2000, there were 183 employees, of which 139 were unionized employees.

More detailed information regarding the Sleeping Giant Property's attributes such as location, title, geology and facilities is provided below in subsection 2.1.1.4 of Item 2 - Description of Property.

1.4.3.2 Base Metals Production

(a) Bouchard-Hébert Mine

The Bouchard-Hébert Mine is located 30 kilometres northeast of Rouyn-Noranda in Dufresnoy Township, Québec. The property covers 1,012 hectares including two mining leases, one granted until 2007 and the other until 2015.

The mine facilities presently consist of a headframe, paste backfill plant, administrative offices, a mechanical shop and other ancillary buildings, a tailings pond as well as a zinc/copper concentrator the daily capacity of which was increased from 2,600 tonnes in early 1996 to 2,890 tonnes in 1999. The mine produces zinc and copper concentrates which are sold and forwarded to smelters for further processing; from such processing, gold and silver also result as by-products.

On March 14, 2000, the Company entered into a definitive agreement for the sale of the Bouchard-Hébert and Langlois polymetallic mines to Breakwater for a cash consideration of $48 million including net working capital and metal hedging obligations. The closing of the transaction, which was initially scheduled for April 17, 2000, was delayed due to the occurrence of mechanical problems with the semi-autogenous grinding ("SAG") mill at the Bouchard-Hébert mine at the end of March. Following an agreement regarding the implementation of appropriate corrective actions and work to repair the mill, the closing of the transaction occurred on May 17, 2000.

In 1999, the Bouchard-Hébert Mine produced 37,693 tonnes of zinc in concentrates, 7,243 tonnes of copper in concentrates, 28,642 ounces of gold and 649,525 ounces of silver. Operating costs totalled $22 per tonne in 1999. Financial and operating information for the Bouchard-Hébert Mine in the last three years is set forth in the following table.

BOUCHARD-HÉBERT MINE			
	1999	**1998**	**1997**
Tonnage milled (tonnes)	**1,054,766**	1,021,875	1,004,615
Production			
Zinc (t)	**37,693**	36,923	32,140
Copper (t)	**7,243**	5,841	7,868
Gold (oz)	**28,642**	24,096	25,833
Silver (oz)	**649,525**	413,932	580,511
Grade			
Zinc (%)	**4.26**	4.24	3.88
Copper (%)	**0.85**	0.72	0.95
Gold (g Au/t)	**1.59**	1.44	1.57
Silver (g Ag/t)	**50.29**	38.01	47.55
Recovery (%)			
Zinc	**84**	85	82
Copper	**81**	79	82
Gold	**53**	51	51
Silver	**38**	33	38
Results ($/tonne milled)			
Direct mining costs	**22**	22	23
Depreciation	**10**	6	5
Capital Expenditures (in millions $)			
Buildings and equipment	**0.9**	3.0	1.6
Development and tailings pond	**2.0**	1.8	5.3

As at December 31, 1999, 116 employees worked at the Bouchard-Hébert Mine, all of whom are non-unionized employees.

(b) Langlois Mine

As previously mentioned in subsection 1.4.3.2 (a), the Company sold the Bouchard-Hébert and Langlois polymetallic mines to Breakwater on May 17, 2000.

The Langlois Mine lies 42 kilometres northeast of Lebel-sur-Quévillon, Québec. The property is held through a mining lease granted until the year 2015, and 209 claims. The property covers 3,018 hectares in the Grevet and Mountain Townships.

The mine facilities include a headframe, a paste backfill plant, mechanical and electrical shops, a service building, a zinc/copper concentrator and a tailings pond. The mine produces zinc and copper concentrates which are sold and forwarded to smelters for further processing; from such processing, gold and silver also result as by-products.

In 1999, the Langlois Mine produced 28,280 tonnes of zinc in concentrates, 1,023 tonnes of copper in concentrates, 674 ounces of gold and 112,063 ounces of silver. Operating costs totalled $37 per tonne in 1999 compared to $31 per tonne in 1998. Financial and operating information for the Langlois Mine for the last three years is set forth in the following table.

LANGLOIS MINE			
	1999	**1998 (1)**	**1997**
Tonnage milled (tonnes)	**402,224**	414,742	261,068
Production			
Zinc (t)	**28,280**	25,281	15,382
Copper (t)	**1,023**	1,009	709
Gold (oz)	**674**	736	516
Silver (oz)	**112,063**	126,224	90,915
Grade			
Zinc (%)	**7.51**	6.54	6.36
Copper (%)	**0.37**	0.33	0.36
Gold (g Au/t)	**0.16**	0.14	0.14
Silver (g Ag/t)	**28.78**	26.74	29.08
Recovery (%)			
Zinc	**94**	93	93
Copper	**70**	74	75
Gold	**32**	40	44
Silver	**30**	35	37
Results ($/tonne milled)			
Direct mining costs	**37**	31	30
Depreciation	**13**	12	12
Capital Expenditures (in millions $)			
Buildings and equipment	**0.1**	0.2	2.8
Development	**7.2**	4.0	6.1

(1) Operations at the Langlois Mine were temporarily interrupted in November 1998 to stabilize the main ore pass at its lower levels.

At December 31, 1999, the Langlois Mine employed 144 people, all of whom are non-unionized employees.

1.4.3.3 Ferroniobium Production - Niobec Division

In 1999, Cambior's share of production totalled 1,147,000 kilograms of niobium compared to 1,091,000 kilograms in 1998. The slight increase is attributable to higher ore grades. Cambior's share of production in 2000 is projected at 1,176,000 kilograms of niobium.

A feasibility study providing for a two-phase production expansion at the Niobec mine was completed and approved in November 1999. The first phase will require a total investment of approximately $4.7 million (from both joint venture partners) and should increase production by 20% commencing in the fourth quarter of 2000. The second phase of the expansion will require further investments estimated at $2 million and will gradually increase production by an additional 20% as warranted by demand in the world niobium market.

Operating information for the Niobec Division for the last three years is set forth in the following table.

NIOBEC DIVISION (Cambior's 50% share)			
	1999	**1998**	**1997**
Tonnage milled (tonnes)	**409,009**	**409,374**	**416,001**
Grade (% Nb_2O_5)	**0.7**	**0.7**	**0.7**
Concentrator Recovery (%)	**58**	**58**	**58**
Production (tonnes of Nb_2O_5)	**1,686**	**1,643**	**1,639**
Converter Recovery (%)	**97**	**97**	**96**
Production (tonnes of Nb)	**1,147**	**1,091**	**1,095**

As at December 31, 1999, the Niobec Mine employed 202 people including 129 unionized hourly workers and 35 unionized technical and office personnel. On June 7, 1996, hourly employees accepted a new, five-year collective agreement. A first collective labour agreement for technical and office personnel, as a result of an arbitral award, is effective as from May 1999. As at December 31, 2000, there were 212 employees, including 161 unionized employees.

More detailed information regarding the Niobec Property's attributes such as location, title, geology and facilities is provided below in subsection 2.1.1.5 of Item 2 - Description of Property.

1.4.3.4 Exploration and Development

Cambior's share of surface exploration expenses totalled $1.7 million on projects located outside its mine sites in 1999, which is in addition to the programs conducted on operating mine sites, to the contributions of the Company's partners and to subsidies that Cambior may receive. An amount of $1.1 million had been incurred in 1998 for the same purposes. More than 30,000 metres of diamond drilling was performed in 1999 on properties in which Cambior owns an interest.

Due to its current financial situation, the Company has significantly reduced exploration expenses on grassroots projects. As at December 31, 1999, 10 employees were assigned to exploration in Canada (of which 6 employees are remaining as at the date hereof) all of whom are non-unionized workers. Minimal exploration work was carried out in 2000.

1.4.4. Mining Activities - International

1.4.4.1 *United States* - Carlota Project

Cambior acquired the Carlota project in 1991 when it purchased all the shares of Westmont. In March 1993, Cambior entered into an agreement with Magma Copper Company (now BHP Copper Inc., a wholly-owned subsidiary of The Broken Hill Proprietary Company Limited of Australia) to acquire the reserves in the Cactus portion of the Carlota/Cactus pit. BHP Copper Inc. holds a 5% net smelter return royalty on production from 42 claims on the property.

A feasibility study prepared in 1993 and revised in 1996 confirmed that the copper process and recovery method known as “SX-EW” (Solvent Extraction and ElectroWinning) would be the most appropriate method for the Carlota project. This method calls for the use of electrolysis in the production of pure copper (saleable on a commercial basis) from a high-grading sulphuric acid copper concentrate solution. This solution is obtained by leaching copper from crushed ore then extracting the copper from the leach solution using an organic solvent, and finally returning the copper contained in this organic solvent into solution for the final electrowinning stage. This low-cost method is being used increasingly to extract copper from oxide deposits containing ore permeable to leach solution.

Litigation by project opponents against the U.S. Forest Service for having granted permits to allow construction of the Carlota copper project, continued during 1999 and concluded in November 1999 with a final decision that the permits granted under the National Environmental Policy Act of 1969 were proper. This ended all pending litigation regarding the Carlota copper project, and the project now has all major permits required for construction. Due to litigation delays, activities at Carlota were minimal during 1999. As at December 31, 1999, proven and probable reserves stood at 96 million tonnes grading 0.44% copper.

As at December 31, 1999, three (3) non-unionized employees were assigned full time to the Carlota project and three non-unionized persons worked part-time (same figures as at December 31, 2000). As part of the Company’s financial restructuring efforts, the Carlota project has been put up for sale.

More detailed information regarding the Carlota Project’s attributes such as location, title and geology is provided below in subsection 2.1.3.2 of Item 2 - Description of Property.

1.4.4.2 Mexico

Cambior was active in Mexico as from the second quarter of 1992. It had an exploration office in Hermosillo, in the state of Sonora, which, as of December 1999, employed 12 permanent and 45 temporary employees, all non-union employees.

On May 9, 2000, the Company sold all of the shares of its Mexican holding company, Cambior Mexico, together with a crusher system originally acquired by Cambior for use at the Cerro San Pedro project, in Mexico, to Glamis, thereby effectively divesting itself of all its Mexican interests. Cambior received cash proceeds of $9.5 million from Glamis of which $7 million was attributed to the shares of Cambior Mexico and $2.5 million to the crushing plant.

1.4.4.3 South America: Guiana Shield

(a) Gold Production: Omai Mine

Financial and other operating information for the Omai Mine for the last three years is set forth in the following table.

OMAI MINE	1999	1998	1997
Production [1]			
Ounces (Au)	**306,063**	327,546	338,496
Tonnage milled (tonnes)	**7,646,790**	7,705,622	7,348,652
Grade milled (g Au/t)	**1.3**	1.4	1.5
Recovery (%)	**92**	92	93
Results ($/oz)			
Direct mining costs	**235**	239	245
Depreciation	**109**	94	91
Capital expenditures (in millions $)			
Buildings and equipment	**3.6**	9.2	9.0
Tailings dam	**1.9**	3.1	3.8
Exploration	**1.2**	1.6	1.5
Deferred stripping	**12.9**	5.8	---

(1) Notwithstanding minority interests in OGML, Cambior takes 100% of the Omai mine production into account, given the capital structure and cash flow distribution of OGML.

Proven and probable reserves at Omai decreased in 1999 compared to 1998 due to ounces produced in 1999 as set forth on the following table. As at December 31, 1999, reserves at Omai stood at 36.7 million tonnes at 1.34 g Au/t representing 1.6 million ounces of gold contained; nearly 1 million ounces are located in the Fennell pit with the remainder located in the Wenot pit and the low grade stockpiles. **More detailed information regarding the establishing of reserves is provided in Section 1.4.2 of this Item 1.**

Omai	December 31, 1999			December 31, 1998		
	Tonnes (000)	**Grade (g Au/t)**	**Ounces Contained (oz)**	**Tonnes (000)**	**Grade (g Au/t)**	**Ounces Contained (oz)**
Proven and Probable Reserves	36,742	1.30	1,591,000	42,929	1.40	1,888,000

The Omai Mine produced 306,063 ounces of gold in 1999. The Fennell and Wenot pits provided 90% of the mill feed with the remaining portion coming as planned from the low-grade stockpiles at a grade of 0.84 g Au/t. The operating cost per tonne milled improved from $10.18 in 1998 to $9.41 in 1999, despite increased fuel costs in the second half of the year. The direct mining cost per ounce was slightly reduced to below target at $235.

As at December 31, 1999, a total of 971 employees worked for OGML, of which 91% were nationals of Guyana. On March 1st, 1999, the collective agreement with the union representing the 579 hourly employees was renewed for a period of four years with wages to be reviewed in March, 2001. As at December 31, 2000, there were 797 employees, of which 493 were unionized.

Financing

Cambior provided full financing for the construction of the Omai Mine in return for full reimbursement on a priority basis of its investment plus a competitive return on investment, subject only to exploration expenditures repayable to Golden Star from 10% of the operating cash flow remaining after the payment of a 5% royalty on gold production to the State of Guyana and net of various financial expenses and corporate income taxes; the balance (90%) of operating cash flow is applied to repay Cambior's investment and the return thereon. Once all amounts owed to Cambior shall have been repaid, cash flow from operations, net of royalty payments and corporate income taxes, would be available for payment of dividends on common shares of OGML.

The Company has also obtained foreign investment insurance coverage for its investment in OGML from the Export Development Corporation ("EDC"), an agency of the Government of Canada. EDC has agreed to insure Cambior for a portion of the losses resulting from certain political risks that may affect the Omai Mine. The insurance amount is established for 90% of losses subject to a maximum nominal amount of $100 million. **The eventual proceeds of this insurance policy have been assigned to the Financial Creditors**, **as described in note 6 to Cambior's audited consolidated financial statements for the year ended December 31, 1999.** EDC has also received reinsurance on a portion of this insurance from the Multilateral Investment Guarantee Agency ("MIGA"), an agency of the World Bank. **Additional information on the EDC insurance is provided below, under subsection 1.4.5.7 (f)**.

Tailings Dam Failure

On August 19, 1995, operations at Omai were suspended due to the failure of the main tailings dam. An emergency plan was implemented forthwith and the spill from the tailings pond into the Omai River was fully contained on August 24, 1995.

As a result of the incident, the Government of Guyana established a Commission of Inquiry and the related committees comprising local and international experts to investigate circumstances relating to the tailings dam failure at Omai. The Commission's final report, submitted to the Government of Guyana on January 8, 1996, found, among other things, that: i) at no time did the spill present a serious threat to life or to the health of mine workers or riverside residents; ii) the concentration of cyanide discharges into the Omai River caused the death of 346 fish in this river; and iii) there was no evidence of any impact on aquatic life in the Essequibo River as a result of cyanide or metals toxicity.

As the Commission concluded that there was no justifiable reason for Omai not to be permitted to resume production, operations at Omai resumed on February 4, 1996 with the approval of the Government of Guyana. Direct incident-related costs during the five-month shutdown period are estimated at $11.2 million and the loss of production for the same period is estimated at 87,000 ounces of gold.

On March 26, 1997, Cambior was served with a motion for authorization to institute a class action in Québec. The motion was filed by a Québec organization claiming to represent some 23,000 Guyanese and alleging that class members were entitled to financial compensation in relation to the damages that they claim to have suffered in connection with the tailings dam failure. In a judgment rendered on August 14, 1998, the Superior Court of Québec granted Cambior's motion to dismiss the matter declaring that the High Court of Guyana is in a better position to decide the issues raised by the proceedings. The judgment was not appealed.

As of the date hereof, approximately 1,000 individual claims have been addressed to OGML in Guyana in connection with the tailings dam failure, of which 333 have been settled. Of the claims that remain unsettled, legal proceedings were instituted against OGML with respect to approximately 300 individual claims and two representative actions, one representing 244 claimants and the other claiming to represent 23,000 claimants **(referred to above under subsection 1.3.2.1 of General Development of the Business - Year 1999 and Recent Developments)**. The three-year limitation period for bringing legal proceedings against OGML and its shareholders, in Guyana or elsewhere, with respect to the tailings dam failure expired on August 15, 1998.

The Company continues to contest or otherwise resolve these claims. The Company believes, based on currently available information, that the results of such claims, in the aggregate, will not have a material adverse effect on the Company's financial condition. However, the Company cannot predict (i) how any of these claims and legal proceedings will evolve over time, or (ii) the ultimate resolution thereof.

More detailed information regarding the Omai Property's attributes such as location, title, geology and facilities is provided below in subsection 2.1.2.1 of Item 2 - Description of Property.

(b) Exploration and Development

(i) Suriname

On June 1st, 1994, Cambior entered into an option agreement with Golden Star to acquire 50% of Golden Star's interest in the Gross Rosebel property. Cambior has also agreed to use its best efforts to cause third-party financing to be provided for 65% of any mine construction costs and related investment in connection with the eventual commercial production of a mine on the property.

A feasibility study and an environmental impact statement were filed with the Government of Suriname in May 1997. Following additional drilling on the property, a revised feasibility study was submitted to the Government of Suriname in December 1997. This study was favourably reviewed by a hired consultant and the Government of Suriname. In 1998, 1999 and 2000, the project remained on care and maintenance.

In the current environment of low gold prices, it is Cambior's view that a scaled-down project, whereby only a portion of the mineralized material would be mined, would be economic. Additional studies, including a revised feasibility study, are required before construction of the project can proceed.

More detailed information regarding the Gross Rosebel Project's attributes such as location, title, geology and facilities is provided below in subsection 2.1.3.1 of Item 2 - Description of Property.

(ii) French Guiana

On May 18, 1994, Cambior announced the signing of an agreement with Golden Star under which Cambior was granted the option to earn a 50% participating interest in the Yaou-Dorlin gold project in French Guiana. The project was then held exclusively by Guyanor Ressources S.A.("Guyanor"), a subsidiary of Golden Star.

Cambior exercised its option in September 1997, after incurring exploration expenditures of $11 million on the project and thereafter, expenditures relating to the project have been funded in equal proportions by Cambior and Guyanor.

Pursuant to the terms of the abovementioned agreement between Cambior and Golden Star, the Company incorporated in February 1999 a French company, Société Minière Yaou-Dorlin S.A.S. ("SMYD"), which will be designated as the operating company for the project. It is expected that direct ownership of the project will be transferred to SMYD. Upon the conclusion of the transfer of the Yaou-Dorlin project to SMYD, Guyanor and Cambior will each own 50% of the common shares of SMYD. This transfer is expected to be completed during 2001.

The Yaou property is located 210 kilometres southwest of the capital city of Cayenne and consists of one exploration permit covering a total area of 5,200 hectares. The Yaou property is accessible by road from the town of Maripasoula, which is served daily by commercial flights from Cayenne. The Dorlin property is located approximately 180 kilometres southwest of Cayenne and consists of one exploration permit covering approximately 8,400 hectares. The Dorlin property is accessible by small plane. The Yaou and Dorlin gold prospects are about 45 kilometres apart.

A "Mémoire Technique" and a "Notice d'impact" were prepared and presented to the French administration in March 1999, prior to the expiry of then current exploration permits for the project. Since the project is not economic at the current gold price, French authorities proposed to grant the Company Type "A" permits allowing for additional exploration work and valid for a period of 5 years. Such permits would be renewable for two additional period of 5 years. The permits were granted to Guyanor on January 31, 2001 and are expected to be transferred to SMYD during the first half of 2001.

In 1999 and 2000, the project remained on care and maintenance. Among other things, Cambior believes that the market price of gold must improve substantially from current levels before the identification of a feasible project may be envisaged.

1.4.4.4 South America: Andes

(a) Exploration and Development

In the Andes region of South America, Cambior maintains an office in Lima, Peru. The international exploration and development group employed 77 people as at December 31, 1999, all of whom were non-unionized employees, compared to 75 employees as at December 31, 1998. However, as part of the Company's restructuring program, the group was reduced to 23 employees by the end of the first quarter of 2000 and to 6 employees as of the date hereof.

(i) Huamachuco Project[*]

The Huamachuco project consists of two deposits, known as La Arena property and La Virgen property.

The La Arena property is located in Northern Peru, 480 kilometres northeast of Lima, near the town of Huamachuco and covers 16,286 hectares. The geology of the La Arena deposit includes sandstones, quartzite, and thick sequences of Jurassic-Cretaceous sedimentary rocks, the latter being intersected by subvolcanic dacitic porphyry. Two different types of mineralization were identified on the property, namely a copper-gold porphyry and a gold-bearing brecciated zone.

During 1999, work consisted of drilling for sample collections in order to conduct a final metallurgical testing program, condemnation drilling for the leach pad location and geotechnical investigation of the leach pad sector. Metallurgical testing confirmed again the good recoveries likely to be obtained from the heap leaching process. This project was on care and maintenance in 2000.

On February 10, 2000 the Company decided to discontinue payments for the acquisition of the Virgen property, part of the Huamachuco Project, and undertook to transfer title thereto back to the previous owner, Gitennes Exploration Inc.

(ii) La Granja Project

The La Granja property is located east of the Andean Cordillera approximately 640 kilometres north of Lima, Peru. It is accessible by aircraft and by unimproved road from the city of Chiclayo. The La Granja deposit consists of a strongly altered late Tertiary intrusive and contains two zones. The larger primary zone contains chalcopyrite, while the secondary enrichment zone includes a significant proportion of leachable copper sulphides.

On March 8, 1994, Cambior submitted the winning bid in connection with the privatization of the La Granja project by the Peruvian state-owned Minero Peru. Cambior, through its subsidiary Sociedad Minera La Granja S.A. ("SMLG"), acquired formal title to the La Granja mining concession pursuant to a deed of transfer dated September 8, 1997.

(*) Previously referred to as the La Arena Project.

While the deed of transfer does not subject the ongoing validity of SMLG's title to the concession to any material conditions, officials at Minera Peru have claimed that SMLG has the obligation to bring a mine into commercial production on the property within six years from the date of exercise of the option, failing which the concession would revert to Minero Peru. For various reasons, SMLG does not consider that it is subject to such an obligation. Discussions with Minero Peru through 1999 and into 2000 contemplated various clarifications to existing agreements.

During 1999, work focused on a hydrometallurgical test program aimed at leaching the high grade secondary mineralization. Positive results from the metallurgical program led to the preparation of a pre-feasibility study of a leaching scenario for the La Granja secondary ore. Maintenance of installations and environmental monitoring, as well as property payments, were continued during the year. Care and maintenance of site infrastructure, environmental monitoring of the La Granja project continued during 2000 and expenditures for 2000 were reduced to a strict minimum.

On September 14 and 15, 2000, Cambior announced that Minero Peru launched a public call for bids on an option to purchase Minero Peru's royalty interest in the La Granja Project, and that a third party (no reference to Billiton's identity was made at that time) committed to submit a bid that met Minero Peru's minimum bid requirements and concluded the Cambior Agreement for the sale of Cambior's 100% interest in the La Granja property (**reference is made to subsection 1.3.2.11 above**). Pursuant to the terms of the Cambior Agreement, the sale to Billiton (who emerged as the winning bidder) resulted in the payment of net proceeds to Cambior of $35 million. The sale transaction closed on December 8, 2000.

(iii) El Pachón project

A feasibility study was submitted to the Company's Board of Directors in March 1997. The feasibility study provides notably that material and supplies would come from Chilean infrastructure as the copper concentrate would be forwarded by pipeline over a 164-kilometre distance to the Los Vilos filtering plant, on the Chilean coast. The administrative office would be located in San Juan (Argentina) and employees would come principally from Argentina.

At the beginning of January 1997, the governments of Argentina and Chile signed a cross-border protocol known as the El Pachón Cooperative Protocol that will facilitate construction and efficient operation of the project by allowing access across the Argentinean-Chilean border to employees, goods, machinery and vehicles. A Mining Integration Treaty ("MIT") was signed by the President of each of these two countries on December 29, 1997 and was ratified by their respective legislatures in September 2000.

During 1999, work was focused on the negotiation of a Memorandum of Understanding with the owners of the Los Pelambres project for the exchange of land rights and shared facilities, including a port. Work was also concentrated on care and maintenance of mining and surface rights and lobbying for the ratification of the MIT.

As part of the Company's financial restructuring efforts, the El Pachón project has been offered for sale. Expenditures for 2000 focused mainly on the maintenance of mining rights, essential land purchases and lobbying for the ratification of the MIT.

Additional information regarding the El Pachón Project's attributes such as location and title is provided below in subsection 2.1.3.3 of Item 2 - Description of Property.

(iv) Other Exploration Activities

In the Andean region, Cambior incurred exploration expenditures of approximately $3.2 million in 1999. At the end of 1999, the Company decided to cease all activities in Ecuador and Chile. The Company incurred more than $2.4 million in exploration work in Peru during 1999 ($1.5 million in 1998), focussing its efforts on two areas in particular, Huamachuco and La Granja.

1.4.4.5 Other International Exploration Activities

At the beginning of 2000, the Company announced its first drilling results from the Seogui property located in the eastern part of the Republic of Guinea, West Africa. The drilling program consisted of 19 holes totalling 1,482 metres. The holes tested an average depth of 75 metres. Cambior initially held an option to purchase an 85% interest in the Seogui property. However, due to material budget constraints, Cambior relinquished its option in the second half of 2000.

1.4.5. Other Aspects of the Business

1.4.5.1 Marketing of Production

The gold market is relatively deep and liquid, with the price of gold generally quoted in US dollars. The demand for gold is primarily for fabrication purposes and bullion investment. Gold is traded on a world-wide basis. Fabricated gold has a variety of uses, including jewelry (which accounts for 85% of fabricated demand), electronics, dentistry, decorations, medals and official coins. Central banks, financial institutions and private individuals buy, sell and hold gold bullion as an investment and as a store of value.

The use of gold as a store of value (the tendency of gold to retain its value in relative terms against basic goods and in times of inflation and monetary crisis) and the large quantities of gold held for this purpose in relation to annual mine production, has meant that historically the potential total supply of gold has been far greater than demand. Thus, while current supply and demand plays some part in determining the price of gold, this does not occur to the same extent as for other commodities. Gold prices have, in addition, been significantly affected by macro-economic factors such as expectations of inflation , interest rates, exchange rates, changes in reserve policy by central banks and global or regional political and economic crises. In times of inflation and currency devaluation, gold was often seen as a refuge, which increased purchases of gold and thereby supported its market price.

However, changes in the reserves policies of central banks have affected the gold market and gold price on two levels. On the physical level, a decision by a central bank to decrease or to increase the percentage of gold holdings in bank reserves leads to either sales or purchases of gold, which in turn has a direct impact on the physical market for the metal. In practice, sales by central banks have often involved substantial tonnages within one period, and this selling can place downward pressure on the markets at the time when it is transacted. More importantly, announcements or rumors of changes in central bank policies which might lead to the sale of gold reserves have in recent years had a powerful negative effect on market sentiment and encouraged large speculative positions against gold in the futures market for the metal.

Most of the Company's revenue and earnings derive from the sale of gold through various instruments. The gold price fluctuates continually due to factors over which Cambior has no control. Therefore, in order to support its various investment undertakings, Cambior has adopted a gold hedging program with the view to improving revenue generation and protecting cash flows in the medium term. However, in the event of a sustained increase or unexpected material fluctuations in the price of gold, this program may prove ineffective or even counter-productive. This program includes the use of fixed forward contracts, variable volume forward contracts, spot deferred contracts, put and call options and gold loans.

The Company is currently reviewing its gold hedging program to ensure that future gold sales commitments will not exceed, at any time, the Company's ability to deliver gold. In the future, the Company intends to limit its new hedging activities to the use of forward contracts and gold loans.

The following table indicates fluctuations in the gold price in U.S. dollars per troy ounce on the London Bullion Market for the periods indicated:

	Year Ended December 31,					
	2000	**1999**	1998	1997	1996	1995
High	$313	**$326**	$313	$367	$415	$396
Low	$264	**$253**	$273	$283	$367	$372
Average	$279	**$279**	$294	$331	$388	$384

Zinc and copper concentrates produced at the Bouchard-Hébert and Langlois mines are sold under short to medium term contracts with selected refiners in Canada and elsewhere under normal market terms. Alternate refiners are available. Further to the sale of the Bouchard-Hébert and Langlois mine, all refining and smelting contracts related thereto have been assigned to the purchaser of the mines.

Also, since revenue from sales of gold, zinc and copper concentrates and ferroniobium are received in U.S. dollars while a significant portion of operating and other expenses are incurred in Canadian dollars, the value of the Canadian dollar relative to the American dollar has a direct impact on Cambior's profit margin. **The table set forth on page 7 of this Form 20-F** illustrates fluctuations in the exchange rates for Canadian dollars expressed in United States dollars for the last five calendar years and year 2000, as established for customs purposes by the Federal Reserve Bank of New York.

The selling price of the gold production is a key variable in the Company's financial performance. Gold trades on world markets, and its price is affected by numerous factors beyond the Company's control. Subsequent to the sudden rise in the gold price at the end of September 1999, and the resulting consequences to its hedging position, the Company had to renegotiate its short-term gold obligations and restructure its hedging position.

The Credit Agreements dated December 22, 1999 provided for, among other things:

- the rescheduling of short-term delivery commitments under call options and spot-deferred contracts into new fixed forward contract positions extending over three years;
- the maintenance of the variable-volume forward sale agreements; and
- the maintenance of the balance of call option commitments maturing between 2000 through 2002.

The new credit facility concluded on January 12, 2001 contains certain covenants, including a mandatory hedging program, which provides that Cambior's commitments to deliver gold will not, at anytime, exceed 90% of its total proven and probable reserves. It further requires that, after March 31, 2001, Cambior will be required to have hedges in place on a minimum of 70% of the forecasted loan life production in order to establish an average minimum gold price of $295/oz on all production, including the impact of the prepaid gold forward sale. As part of the mandatory hedging program, Cambior will have the right to roll forward its contracts up to the final maturity date of the loan. In addition, the hedging facility will not be subject to margin calls.

Additional information regarding the aforementioned sudden rise in the gold price as well as the Credit Agreements is provided under "General Development of the Business - Year 1999 and Recent Developments"(subsection 1.3.2.2).

FOR ADDITIONAL INFORMATION REGARDING CAMBIOR'S HEDGING PROGRAMS, REFERENCE IS MADE TO: ITEM 9A OF THIS FORM 20-F AND NOTE 12 TO THE FINANCIAL STATEMENTS OF THE COMPANY PRESENTED IN ITEM 17.

1.4.5.2 Government Regulation

Canadian and American mining industries have evolved with federal and state or provincial legislation governing the exploration, mining, processing and marketing of minerals. This legislation governs the acquisition and ownership of mining rights, mining duties and income taxes, labour, health and safety standards, exports and other related matters.

The North American mining industry is also subject to federal and state or provincial environmental protection legislation. This legislation imposes high standards in order to reduce or eliminate the effects of waste generated by ore mining and processing operations. Consequently, the construction and commercial operation of a mine necessarily entails compliance with applicable environmental legislation and the obtaining of permits for the use of land and water or other similar authorizations from various government bodies. Each mining company is under a strict obligation to comply with all applicable environmental laws.

Failure to comply with this legislation may lead to the issuance of orders suspending or curtailing operations or requiring the installation of additional equipment. Cambior could be required to indemnify private parties suffering losses or damages arising from its mining activities and could be assessed fines if found guilty of penal infractions under the terms of such legislation.

In the United States, some of the mineral rights consist of "unpatented" mining claims created and maintained in accordance with the *General Mining Law*. Unpatented mining claims are generally considered to be subject to greater title risk than other real property interests because the validity of unpatented mining claims is often uncertain. This uncertainty arises, in part, out of the complex federal and state laws and regulations under the *General Mining Law*. Also, unpatented mining claims are always subject to possible challenges by third parties or by the federal government. The validity of an unpatented mining claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of federal and state statutory and decisional law. In addition, there are few public records that definitively control the issues of validity and ownership of unpatented mining claims.

In recent years, the U.S. Congress has considered a number of proposed amendments to the *General Mining Law*. Although no such legislation has been adopted to date, the Company cannot assure that such legislation will not be adopted in the future. If ever adopted, such legislation could, among other things, impose royalties on gold production from currently unpatented mining claims located on federal lands. If such legislation is ever adopted, it could have an adverse impact on earnings from operations, it could reduce estimates of present mining reserves and it could reduce the amount of future exploration and development activity on federal lands.

In Guyana, OGML must comply, in the course of its operations, with a range of Guyanese laws similar in their effects to legislation to which Cambior is subject in Canada. However, the Mineral Agreement executed on August 16, 1991, provides exceptions to applicable Guyanese legislation in favour of OGML and its shareholders in certain instances, including an alleviated tax system and, in certain cases, provisions for legislative stability.

The Company commissioned an environmental impact study in 1991 as part of the Omai Project's feasibility study, which was subsequently ratified by the Guyanese Government. The study has been amended from time to time, with the Government's approval, to take various changes in operations into account. Pursuant to the Mineral Agreement, OGML has undertaken to apply the environmental practices set forth in the environmental impact study. For its part, the State of Guyana has undertaken, for the duration of OGML's operations, not to impose on OGML any environmental standard which would be more severe than that which is in force at the relevant time in the Province of Québec, Canada. Finally, the agreement by which OGML resumed commercial production in February 1996, also contains environmental compliance obligations.

In South America, the Company must comply with various mining and environmental laws in force in such countries, which laws are generally similar in effect to comparable laws in North American jurisdictions.

Cambior believes that it is in substantial compliance with all material current legislation, regulations and administrative standards applicable to its activities.

1.4.5.3 Environment

On November 6, 1992, the Company's Board of Directors authorized the creation of a board committee responsible for the supervision of activities related to environmental compliance and management and ratified the environmental protection policy developed by the Mining Association of Canada, which the Company had adopted on May 7, 1990.

In 1993, the Company developed environmental guidelines for employees with a view to facilitating communication and standardization of environmental protection procedures. The distribution of such environmental guidelines and training to ensure their use in everyday activities form part of Cambior's self-monitoring program. The Company, as well as its partners managing the properties held in joint venture, periodically retain independent consultants to assess compliance with standards and the suitability of the established policies and procedures.

In 1995, the Company's environmental policy and program were modified in order to emphasize prevention and to harmonize policies with the new policy of the Mining Association of Canada. Detailed closure and reclamation plans for all of Cambior's mines were completed and submitted to the governmental authorities in 1995.

The closure and site reclamation of the Valdez Creek Placer were completed in 1996 and Cambior received the 1995 Governor's Award for reclamation from the State of Alaska and, on September 15, 1997, the Health of the Land Award from the US Bureau of Land Management, the US agency in charge of land management.

Cambior embarked on the ISO 14001 certification process in 1997 following the adoption of a new Corporate Environmental Policy as a means of ensuring that all of its environmental programs and procedures would attain the highest standards. Since that time, all of Cambior's Canadian entities, with the exception of the Doyon Mine, in which a 50% residual interest was acquired by Cambior early in 1998, have adapted their EMS to be consistent with the required standards. The process is being pursued at the Doyon Mine and at OGML in Guyana. It is Cambior's objective to implement its EMS and certify it under the ISO 14001 standards with respect to all future development projects and operations.

In 1999, monitoring of all the effluents of Cambior, including those at Niobec mine, achieved 100%. Effluent compliance at the Omai mine was also maintained at 100%.

Cambior is also active in environmental research projects through partnerships with universities or members of the mining industry. Recent research subjects include mine acid drainage, the application of biotechnology to solve environmental problems, a study on the fate of cyanide in mine tailings, the bio-availability of metals and the toxicity of effluents.

None of the environmental measures taken by Cambior should impact negatively on its competitive position, as the whole of the North American mining industry is subject to substantially similar regulatory standards. The medium- and long-term financial impact of these standards lies in the cost of mine site reclamation during mining and once mining activities have ceased. The Company annually reviews its provision for environmental obligations, and no material adverse effect on earnings is expected in the future. Cambior believes that its operations are substantially in compliance with all relevant and material laws and regulations, as well as standards and guidelines issued from the relevant regulatory authorities.

1.4.5.4 Research and Development

Cambior participates in several research projects, including those organized by CAMIRO (Canadian Mining Industry Research Organization), the SOREDEM group, the latter carrying out applied research on vein-type deposits, and COREM (Mineral Research Consortium) with research projects on processing and transformation of mineral substances.

Cambior also sponsors the MEND 2000 Program (Mine Environment Neutral Drainage), which ensures the follow-up of current projects and the mutual exchange of information among companies on this topic.

Cambior is one of the funding participants of the Natural Sciences and Engineering Research Council of Canada (NSERC) Industrial Chair on Bio-Processes for Site Remediation of the University of Montreal's *École Polytechnique*. Its commitment amounts to CAN $75,000 per year over a five-year period ending in 2004.

The Company invested CAN $896,000 in various research and development projects during 1999 compared to CAN $428,000 in 1998 and CAN $535,000 in 1997. Half of this amount was spent on research concerning treatment of ore and the environment. The other half was used to fund various research projects pertaining to mining equipment and ground control. In 2000, Cambior will pursue its research objectives in order to improve its performance in the areas of productivity, economics, health and safety and the environment.

1.4.5.5 Taxes

Cambior currently earns taxable income almost exclusively through its operations in Canada and Guyana. Cambior's activities in other countries are not currently revenue producing.

Canada

Cambior Inc. is subject to federal income tax in Canada on its worldwide earnings, although earnings of the Company's foreign subsidiaries are not generally subject to tax until repatriated to Canada. Some of the foreign subsidiaries operate in countries which have concluded a tax treaty with Canada and, in consequence, active business income earned in those countries would be exempt from Canadian taxes when repatriated to Canada. However, earnings of foreign subsidiaries operating in other countries could attract Canadian taxes depending on the tax rate in the relevant foreign country. The Company's Canadian operations are also subject to provincial income tax. The statutory combined corporate tax rate is approximately 38%, reduced to an effective tax rate of approximately 29% by the application of the resource allowance. The Company is also subject to Québec mining duties at a statutory rate of 12%.

United States

Cambior USA and its wholly-owned subsidiaries, file their United States federal income tax return on a consolidated basis. The top marginal rates are presently 35% for the regular tax and 20% for the alternative minimum tax. As of December 31, 1999, Cambior USA had approximately $26 million of cumulative regular tax benefits that were derived from past net operating losses, available to offset future income tax. These benefits begin to expire in 2000. These amounts are subject to adjustment upon a subsequent audit by the Internal Revenue Service. Cambior USA and its wholly-owned subsidiaries are also subject to state and local taxes in jurisdictions in which they are engaged in business operations.

Guyana

From 1993 to 1999, the operations of OGML in Guyana were subject to corporate income tax in Guyana at a rate of 33.75% per year. Beginning in 2000, commercial production at the Omai Mine will be subject to the 35% prevailing corporate income tax rate. Operating expenses, including interest expenses, are generally deductible from taxable income, and losses may be carried forward indefinitely. Capital expenditures may be depreciated on a straight-line basis over five years. Withholding taxes on dividends paid to foreign shareholders are levied at a 6.25% rate; however, there is no withholding tax on interest. Legislative stability of taxation rules and rates is guaranteed by the Mineral Agreement referred to in **subsection 1.4.5.2** hereof.

1.4.5.6 Mining Development and Construction

The Company formed, at the end of 1994, two in-house divisions to support project implementation and operations. Their goal consists of optimizing performance of said divisions' respective activities with a view to achieving greater effectiveness in terms of costs and timetable compliance.

The objective of the Camroc Mining Development Division, which grouped together 68 to 127 non-unionized employees of Cambior during 1999, is to form and manage specialized teams performing mining development works at various mines or projects, in accordance with the Company's priorities. This division provides in-house contract mining services, and its services are charged to other divisions on competitive terms.

The objective of the Projects and Construction Division, which grouped together 10 non-unionized employees of Cambior as at December 31, 1999, is to form and manage teams of professionals and technicians specialized in planning, implementing and supervising construction activities of mine facilities and infrastructure. This division occasionally acts as an independent building contractor for third parties on arm's-length terms.

1.4.5.7 . Risk factors

By the very nature of its activities, the Company is subject to various financial, operational and political risks in the normal course of business. The Company assesses and minimizes these risks by applying high operating standards, including the careful managing and planning of its facilities, hiring qualified personnel and developing their skills through training and development programs, establishing and maintaining internationally-recognized standards, independent audits and the purchase of insurance policies.

READERS SHOULD CAREFULLY CONSIDER THE RISK FACTORS SET FORTH BELOW.

(a) Financial crisis, completion of financial restructuring and remaining indebtedness

The text provided under subsections 1.3.2.2. to 1.3.2.13 hereinabove inclusively, describes in detail the severely adverse business developments that precipitated the Company's financial crisis. In summary, unusual and temporary circumstances that prevailed in the gold market in early October 1999 caused Cambior's Financial Creditors to have concerns about Cambior's hedging program and resulted in an obligation for Cambior to repay and refinance approximately $225 million by December 31, 2000 (extended to, and fulfilled on January 12, 2001), of which a $75 million interim payment was required and made by June 30, 2000.

As a result of the foregoing, Cambior initiated an asset disposal program in late 1999 and re-evaluated all of its mining assets based on such program and the prevailing market conditions, entailing a $291 million write-down charge in 1999. This write-down, combined with a restructuring charge, resulted in an aggregate net loss for the year 1999 totalling $358 million ($5.07 per common share).

Although the sale of certain assets and other transactions (**reference is made to subsections 1.3.2.6 and 1.3.2.8 to 1.3.2.12 above**) enabled the Company to complete its financial restructuring by January 12, 2001, its financial position remains difficult. Cambior's overall indebtedness, albeit restructured, may continue to have important consequences for the Company including the following:

- increasing its vulnerability to general adverse economic and industry conditions;
- limiting its ability to obtain additional financing to fund future working capital, capital expenditures, operating and exploration costs and other general corporate requirements;
- requiring it to dedicate a significant portion of its cash flow from operations to make debt service payments, which will reduce its ability to fund working capital, capital expenditures, operating and exploration costs and other general corporate requirements;
- limiting its flexibility in planning for, or reacting to changes in its business and the industry; and
- placing it at a disadvantage when compared to those of its competitors that have less debt relative to their capitalization.

Reference is made also to the discussion regarding possible legal and regulatory exposures set forth under section 1.3.3 above.

(b) Severe decline in the Company's market capitalization

As a consequence of the events described in **subsection 1.4.5.7 (a) above,** the market value of Cambior's common shares deteriorated dramatically as said events were unfolding (**reference is made to Item 5 of this Form 20-F**). At the close of business on January 12, 2001, following the dissemination of Cambior's press release regarding the completion of its financial restructuring (**reference is made to subsection 1.3.2.13 above**), the market price of one (1) common share of Cambior was $0.375 on the AMEX (up $0.0625 relative to the January 11, 2001 price at close of business) or CAN $0.56 on the TSE (up CAN $0.07 relative to the January 11, 2001 price at the close of business).

While the AMEX has not yet notified Cambior that its common shares might be de-listed, and while Cambior's shares have not yet been regulated by penny stock rules adopted by the SEC, the Company cannot rule out the possibility of such events occurring if the market price of its shares remains at these low levels over time.

In the case of a de-listing, trading in Cambior's common shares in the United States, if any, might then be conducted in the over-the-counter market on an electronic bulletin board, or on what are commonly referred to as the "pink sheets". Cambior's common shares would no longer be eligible for the exemption from state securities registration available for shares listed on the AMEX and other national securities exchanges, with the result that brokers making a market in Cambior's common shares would be required to establish an alternative exemption or to register the shares before making secondary sales in any state. There will then be a less active trading market for Cambior's common shares and Cambior's shareholders would then find it more difficult to sell, or to quickly obtain pricing information for, Cambior's shares. The unavailability of the exemption from state registration for shares listed on AMEX and securities equal in priority or senior to listed shares could also increase the cost of making future securities offerings in the United States.

Should Cambior's common shares ever become subject to penny stock rules, a transaction in the Company's securities would be subject, among other things, to additional disclosure requirements that could make the trading of Cambior's securities more cumbersome and, in turn, materially affect such securities' marketability.

(c) Mining Industry and Mining Projects

Exploration and development projects have no operating history upon which to base estimates of future operating costs and capital requirements. Mining projects frequently require a number of years and significant expenditures during the mine development phase before production is possible. Development projects are subject to the completion of successful feasibility studies, issuance of necessary governmental permits and receipt of adequate financing. The economic feasibility of such development projects is based on many factors such as estimation of reserves, metallurgical recoveries, future gold prices, and capital and operating costs of such projects.

Exploration and development of mineral deposits thus involve significant financial risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. In fact, a mine must generate sufficient revenues to offset operating and development costs such as: the costs required to establish reserves by drilling, to develop metallurgical processes, to construct facilities and to extract and process metals from the ore. Once in production, it is impossible to determine whether current exploration and development programs at any given mine will result in the replacement of current reserves with new reserves.

Because it holds interests in several mines, Cambior is subject to risks and hazards inherent to the mining industry, including:

- fluctuations in gold prices;
- costs of constructing and operating a mine, as well as processing and refining facilities, in a specific environment;
- availability of economic sources of energy and adequacy of water supply;
- adequate access to the site, unanticipated transportation costs, delays and repair costs resulting from equipment failure;

- changes in the regulatory environment (including regulations relating to prices, royalties, duties, taxes, restrictions on production, quotas on exportation of minerals, as well as the costs of protection of the environment and agricultural lands); and

- industrial accidents and labor actions or unrest.

The occurrence of any of these factors could materially and adversely affect the development of a project and as a result materially adversely affect Cambior's business, financial condition, results of operations and cash flow. Cambior is also subject, through its activities, to risks normally encountered in mining operations. Blasting, drilling and mining of ore comprise risks and hazards such as :

- environmental hazards, including discharge of pollutants or hazardous chemicals;

- unanticipated grade and tonnage of ore to be mined and processed;

- unusual or unexpected adverse geological or geotechnical formation, or unusual or unexpected adverse operating conditions;

- dangerous work entailing slope failure, rock bursts, cave-ins, failure of pit walls or dams, fire; and

- natural phenomena and "acts of God" such as inclement weather conditions, floods, earthquakes and other hazards.

These occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. Cambior may incur liability as a result of pollution and other casualties, and may not be able to insure fully or at all against such risks, due to political or other reasons, or may decide not to insure against such risks as a result of high premiums or for other reasons. This can result in delayed production, increase in production costs or liability. Paying compensation for obligations resulting from such liability may be very costly and could have an adverse effect on Cambior's financial position. Furthermore, insurance against certain risks (including certain liabilities for environmental pollution or other hazards as result of exploration and production) is not generally available.

(d) Competition

The Company is in competition with other mining companies for the acquisition of interests in precious and base metal mining properties. In the pursuit of such acquisition opportunities, Cambior competes with several Canadian and foreign companies that may have substantially greater financial and other resources. Although Cambior has acquired many such assets in the past, there can be no assurance that its acquisition efforts will succeed in the future.

(e) Sale of Production and Reserves

The Company based its reserve estimates on a $325 per-ounce gold price. A sensitivity analysis using a gold price of $300 per ounce indicates that the Company's overall proven and probable reserves would be 8% less. **More detailed information regarding proven and probable reserves is provided above under "Proven and Probable Reserves" - Section 1.4.2 above.** Should prices remain low or fall further, some reserves may become uneconomic. In the event of a sustained, significant drop in the gold price, the Company may be required to re-evaluate its assets.

There are numerous uncertainties inherent in estimating proven and probable reserves including many factors beyond Cambior's control. The estimation of reserves is a subjective process and the accuracy of any such estimate is a function of the quantity and quality of available data and of the assumptions made and judgements used in engineering and geological interpretation. Results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may justify revision of such estimates.

Over the past few years, there has been a continued decline in world gold prices. Accordingly, over the last year, Cambior has reduced the estimates of its reserves on various properties. These reductions reflect its decision to re-estimate its reserves using lower gold prices. If gold prices continue at current levels or decline further, Cambior may initiate additional significant write-down of these reserves.

In addition, because of lagging gold prices, Cambior has postponed development of the Gross Rosebel project in Suriname. Should gold prices remain at their current levels or decline further for an extended period, Cambior may further postpone development at Gross Rosebel until such time as alternative development options involving other technologies or smaller scale operations can be defined and determined by both the Company and its joint venture partner to be feasible under lower gold price assumptions.

Beginning in the second quarter of 2000, the Company expects to derive almost all of its revenues and earnings from the sale of gold and niobium. The gold price is subject to fluctuations resulting from factors beyond the Company's control. These factors include general price inflation, changes in investment trends and international monetary systems, political events and changes in gold supply and demand on the public and private markets. In 1999, the gold market felt the effects of gold reserve sales by some central banks as well as the effects of the announcement at the end of September by European central banks of a self-imposed annual limit on gold sales. **More detailed information regarding the gold market in 1999 and the Company's hedging program in respect thereof, is provided under "General Development of the Business - Year 1999 and Recent Developments" (subsection 1.3.2.2).**

All annual production from the Niobec Mine is sold under the terms of commercial contracts with third-party purchasers. There can be no assurance that these contracts will be renewed upon their expiry or that Cambior will be able to enter into agreements with other purchasers in the event that the existing contracts are not renewed. *Companhia Brasilera de Metalurgia e Mineraçâo* ("CBMM") is the world's largest producer of niobium. In 1999, CBMM accounted for approximately 78% of the world's niobium sales and is believed to enjoy lower production costs than Niobec.

(f) Currencies

Most of the Company's activities are in Canada and Guyana. Fluctuations in the Canadian currency have an important impact on cash flows from the Company's operations as the proceeds of metal sales are in US dollars while over 50% of operating costs are in Canadian dollars. Thus, any significant increase in the value of the Canadian dollar relative to the U.S. dollar coupled with stable or declining metal prices entails an adverse effect on Cambior's earnings. Changes in the local Guyanese currency have little impact on cash flow from the Company's operations as most disbursements for the Omai mine are quoted in US dollars.

In order to protect itself from fluctuations in the Canadian dollar, the Company holds hedging contracts for an amount of $219 million at December 31, 1999 at an average rate of $1.4445.

(g) Foreign Activities

A significant portion of Cambior's production and reserves comes from the Omai Mine in Guyana. Accordingly, risks associated with conducting business in Guyana are material for Cambior. More particularly, Cambior's investments in OGML and in projects in other countries are subject to the usual risks involved with any investment in developing countries which include, but are not limited to, risks relating to stability of legislation and policy, repatriation of capital and profits, expropriation, reliability of title to mining and other properties, unilateral revocation of mining rights with or without cause, political instability, economic hardship, local currency devaluation and others. Cambior cannot fully eliminate these risks.

Cambior has, in the context of the Omai Mine, obtained foreign investment insurance from EDC for a maximum nominal value of $100 million, as mentioned above in **subsection 1.4.4.3(a)**. This type of insurance covers the following risks:

- **Non-transfer of funds:** restriction or blockage of funds by the Government of Guyana or a government agency, making it impossible for Cambior to repatriate its investment from Guyana.

- **Expropriation:** actions by the Government of Guyana that would have the effect of an expropriation by interfering with the exercise of fundamental rights accruing from Cambior's investment in Guyana, including OGML's right to export gold from Guyana, or by rendering impossible either the use or disposition of the assets, or the conduct of regular business activities by OGML in Guyana.

- **War, revolution and insurrection:** damage, destruction or loss of tangible property of OGML resulting from war, riot, insurrection, revolution, rebellion, sabotage or other similar politically motivated hostile acts in Guyana. Coverage is also provided for loss of use of Omai Mine facilities for a period of 12 consecutive months as a direct result of the above-mentioned circumstances.

As at December 31, 1999, the aforementioned type of insurance had not been subscribed with respect to Cambior's activities in Argentina, French Guiana, Peru and Suriname, as activities in these countries are currently limited to the conduct of exploration and development work. Although many of the same types of foreign investment and foreign business risks prevail in these countries, there can be no assurance that foreign investment insurance coverage will be available to or subscribed by Cambior in relation to future investments in these and other countries where Cambior may invest.

In these countries, Cambior must comply with mining laws governing exploration, mining, processing and marketing of minerals, as well as mineral agreements in some cases. These laws are generally similar in effect to comparable laws in North American jurisdictions. Non-compliance with these standards and agreements may entail fines for Cambior or the suspension or cancellation of operating permits. Cambior believes that it is in substantial compliance with all legislation, regulations and administrative standards applicable to its activities.

In Suriname and French Guiana, illegal miners have been working on Cambior's properties despite the fact that Cambior has hired security personnel to protect its properties. The issues of illegal miners could lead to project delays and disputes regarding the development or operation of commercial gold deposits. The work performed by the illegal workers could cause environmental damage for which Cambior could potentially be held responsible.

In the event of a dispute arising at our foreign operations, Cambior may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. Cambior may also be hindered or prevented from enforcing its rights with respect to a governmental entity because of the doctrine of sovereign immunity.

(h) Insurance and Mining Activities

Cambior carries insurance against property damage and comprehensive general liability insurance for all operations. It is also insured against gold and silver bullion thefts and losses of goods in transit. The property damage insurance policies include coverage for business interruption resulting from an insured loss.

Risks not insured against include mine cave-ins, mine flooding or other comparable hazards. Furthermore, there are risks attributable to most types of environmental pollution against which the Company cannot insure or against which it has elected not to insure. The Company believes that it has taken adequate precautions to minimize the risk of environmental pollution. However, with respect to certain mines, there is a higher level of risk, notably that cyanide or other substances may accidentally escape from leach pads or tailings ponds.

Underground mining is generally subject to certain types of risks and hazards, including unusual or unexpected rock formations, underground cave-ins, pressures and other conditions. Open-pit mining is also generally subject to various types of risks and hazards, the greatest being pit wall failure.

As a result of the main tailings dam failure at Omai in 1995, individuals and organizations have filed claims for compensation against Cambior and OGML. **Additional information regarding OGML and the Omai Mine is set forth above under subsection 1.4.4.3.(a) *in fine*.**

(i) Management and Personnel

As a result of its financial crisis and efforts to restructure, Cambior experienced several management and personnel changes as from year-end 1999, mainly in the form of reductions in administrative support staff and departures, terminations or retirements of senior managers and executives. In particular, the following officers ceased to be under the Company's employ between March and July 2000 (inclusively): the Vice President, Treasurer, the Vice President, Exploration, the Vice President, Corporate Development, the Senior Vice President, Administration and Finance, and the Vice President, United States and Mexico.

The Company does not anticipate additional departures of senior management in the short term but there can be no assurance to that effect. Should Cambior experience internal changes involving key personnel in the future, finding replacements for them could result in delays in carrying out its strategic and operational plans as well as significant expenditures, which in turn could adversely affect results of operations.

(j) Compliance with environmental regulations

There can be no assurance that compliance with existing regulations governing the discharge of materials into the environment, or otherwise relating to environmental protection, in the jurisdictions where the Company has projects will not have a material adverse effect in the future on its activities, earnings, expenditures or competitive position. New or expanded regulations, if adopted, could affect Cambior's projects or otherwise have a material adverse effect on its operations.

As a result of the foregoing risks, expenditures on any and all projects, actual production quantities and rates and cash operating costs, among other things, may be materially and adversely affected and may differ materially from anticipated expenditures, production quantities and rates, and costs, and estimated production dates may be delayed materially, in each case. Any such events would materially and adversely affect Cambior's business, financial condition, results of operations and cash flows.

(k) Computer Systems

While the year 2000 transition was made without any disruptions in production, power supply or materials supply to the Company's various production units, it is impossible to guarantee that all aspects of the Year 2000 issue have been entirely resolved and that no incident will occur that might have a significant impact on the Company's earnings and cash flow in 2000.

(l) Litigation

The Company is subject to various claims, legal proceedings, potential claims and complaints arising in the normal course of business. The Company is also subject to the possibility of new income tax and mining duty assessments for some years. The Company believes that unfavourable decisions in any pending procedures or the threat of procedures related to any future assessment or any amount it might be required to pay will not have material adverse effect on the Company's financial condition, but might be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period. **Reference is made to Item 3 below for a more detailed description of litigation involving OGML.**

Item 2. Description of Property.

2.1 MINING PROPERTIES

2.1.1 Mining Properties - Canada

2.1.1.1 General

In Québec, mining rights are governed by the *Mining Act*. Until January 1, 1966, Crown lands presumed to be mineralized zones could be granted as a mining concession. In 1966, the mining concession system was replaced by a system of claims and mining leases. A claim entitles its holder to explore for minerals on the subject land. It remains in force for a term of two years from the date it is registered and may be renewed indefinitely subject to continued exploration works in relation thereto. A mining lease entitles its holder to mine and remove valuable mineral substances from the subject land. Leases are granted initially for a term of 20 years and are renewable up to three times, each for a duration of 10 years.

The *Mining Act* was amended in June 1998 to bring material changes to the acquisition process of mining titles whereby map designation now replaces staking, and to consolidate under the same heading several exploration titles for different mineral substances.

All of Cambior's Canadian mines are underground mines and, unless otherwise specified herein, are readily accessible by existing roads and benefit from available water supply and electric power supply sources. All of Cambior's Canadian mines are hypothecated in favour of its creditors under the new credit facility concluded on January 12, 2001 and in favor of CSFB, *pari passu*. Finally, as the Bouchard-Hébert and Langlois mines were sold to Breakwater on May 17, 2000, the property description thereof is not included in this Item 2 of this Form 20-F.

2.1.1.2 Doyon Mine

The Doyon property is located in Bousquet Township, 41 kilometres east of Rouyn-Noranda, in Northwestern Québec and covers 1,993 hectares. It consists of 116 claims and a mining lease that has been renewed as of July 3, 2000 for a 10-year period until July 2, 2010.

The Doyon Mine was discovered in 1974 by Soquem. Commercial open-pit mining began in March 1980, and underground mining began in 1985. The transition to full-scale underground mining was completed on March 31, 1989.

The Doyon Mine deposit is divided into four large sectors, namely the Main Zone, the 1.0 Zone, the Central Zone and the West Zone. Given the physical features of the deposit, the mining method used is sub-level stoping. The mineralization of the Main Zone consists mostly of large envelopes containing gold-bearing veinlets associated with small quantities of pyrite and chalcopyrite. The mineralization of the 1.0 Zone consists of veinlets and accumulations of pyrite which form continuous lenses.

The mineralization in the Central Zone, which is found in intermediate volcanic rocks at upper levels, is gradually displaced into intrusive rocks at depth. The mineralization contained in the volcanic rocks is similar to that found in the Main Zone. The mineralization in the intrusive rocks lies within narrow quartz-pyrite veins having fair continuity. The gold mineralization in the West Zone is associated with narrow quartz veins, the orientation of which varies but dominantly follows a north-south trend. The composition of country rock is dioritic at upper levels and tonalitic at deeper levels.

The mine facilities and equipment include a conventional mill equipped with a semi-autogenous grinding mill and cyanidation and carbon-in-pulp processing facilities, a high-density sludge plant, a water treatment plant, a tailings pond and settling pond (both allowing for natural degradation of the cyanide, decanting and recirculation of the water used in milling), electrical and mechanical maintenance shops and a headframe, mechanized mobile underground equipment, as well as a warehouse and an administrative building. During 1998, the Company moved the paste fill plant that was in place at the Chimo Mine, now closed, to the Doyon Mine site. The plant was commissioned at the end of September 1998.

All ore extracted from the Doyon Mine is currently processed on site at the mill. Throughout 1999, the daily milling rate averaged 3,717 tonnes of ore compared to 3,636 tonnes in 1998. This increase includes the milling of 85,560 tonnes of ore during the year from the Mouska Mine.

2.1.1.3 Mouska Mine

The Mouska property is adjacent to the western border of the Doyon property. Cambior owns this 720-hectare property through 13 claims and two mining leases, one expiring in 2011 and one expiring in 2018. The principal facilities include a headframe, a service building housing electrical and mechanical shops and an administrative office. There is no mill on site as all of the ore mined is processed at the Doyon milling facilities.

The Mouska deposit can be described as a lode-type deposit, the economic mineralization of which is confined in narrow quartz veins (less than one metre) having good lateral continuity. Economic lenses are found both in volcanic rocks (andesite) and in the Mooshla intrusive (diorite). It is in the latter environment that the current reserves and the best potential for additional reserves are found. Considering the geometry of the deposit, shrinkage stopping is being used for mining operations.

Cambior acquired the Mouska property in 1986, in connection with the privatization of most of Soquem's assets. The property's production is subject to two royalties. The first, a 2% royalty on the value of gold recovered, is payable to Franco-Nevada Mining Corporation Ltd. and amounted to 899 ounces of gold in 1999. The second royalty is a 1% royalty on gold produced, payable to two individuals; the amount paid in 1999 totalled CAN $175,000. Underground exploration at Mouska began in October 1987, pre-production development followed in May 1990, and commercial production commenced on July 1st, 1991.

2.1.1.4 Sleeping Giant Mine

The Sleeping Giant property covers an area of 3,076 hectares comprising 75 claims and three mining leases, one expiring in 2008 and two others in 2018, and is located 80 kilometres north of Amos, Québec. Title to the property is held equally by Aurizon Mines Ltd. ("Aurizon") and Cambior, subject to two royalties: the first is a 2% royalty on gross operating earnings (as defined in the relevant agreement) held by Central Asia Goldfields Corporation; and the second is a 15% net profits interest (as defined in the relevant agreement) held by Mattagami Lake Exploration Ltd. on the greater part of the Sleeping Giant property. No payment has been required pursuant to these royalties thus far, and none is expected to be required in 2000. The Sleeping Giant property also includes a 900-tonne per day capacity mill, a headframe and ancillary surface facilities as well as a tailings pond.

The Sleeping Giant deposit is a high-grade lode-type gold deposit. The narrow (50 cm or less) smoky quartz veins are characterized by a high sulphide content (5% to 50%). Vein continuity varies between 50 and 300 metres laterally and between 100 and 750 metres vertically. Some veins remain open at depth. Given the ore's physical characteristics, shrinkage stopping has always been used for mining operations; however, in 1999, a new mining method, namely sub-level stoping, was tested in appropriate sectors of the orebody with a view to improving overall productivity.

2.1.1.5 Niobec Mine

The Niobec Division consists of Cambior's interest (50%) in the Niobec Mine. The mine first produces a niobium pentoxide (Nb_2O_5) concentrate which is thereafter converted on site into ferroniobium (FeNb). The Niobec Mine is the only North American source of pyrochlore (the primary niobium ore) in operation and the world's third largest producer of niobium. The mine is located on a 2,455-hectare property, comprising two mining leases granted until 2005 and 61 claims, 15 kilometres northwest of Chicoutimi, in Simard Township, Québec. The mining leases expiring in 2005 will, in all likelihood, automatically be renewed at their expiry. The property's facilities include a headframe, a pyrochlore-to-niobium pentoxide (Nb_2O_5) concentrator, a concentrate-to-ferroniobium converter and ancillary surface installations.

The Niobec Mine deposit is located in the southern portion of the Saint-Honoré carbonatite, which mainly comprises dolomitic carbonates in the centre and calcitic carbonates on the edges. The lenses, which are irregularly shaped, are 10 to 80 metres wide and up to 300 metres long. The deposit is open at depth. The mining method used for mining operations is blasthole stoping.

Commercial production of concentrates at the Niobec Mine began in March 1976. Under the terms of a joint venture agreement with Teck, Cambior manages the marketing and sales of all commercial production from the mine, at cost plus a nominal fee, under the direction of a management committee. Mining operations are managed by Teck on similar terms.

From the commencement of commercial production until the end of 1994, production from the Niobec Mine was sold in the form of concentrates to firms in Europe, India, Japan and the United States for conversion into ferroniobium and distribution in their respective markets. Commercial production of ferroniobium at the mine site commenced in December 1994 following the construction of a plant to convert niobium pentoxide concentrates into ferroniobium. Ferroniobium produced at the Niobec Mine is currently distributed through firms in Europe, Japan and the United States.

2.1.2 Mining Properties - International

2.1.2.1 Omai Mine

The Omai Mine site lies approximately 160 kilometres south of the city of Georgetown, the capital of Guyana. Guyana is a former British colony located on the northeastern coast of South America covering an area of 214,970 square kilometres and hosting a population of approximately 800,000 people. The Omai Mine property covers 4,550 hectares and is held through an exclusive mining licence (the “Mining Licence”) granted on December 12, 1991, to OGML, the mine operator.

The Omai property consists of two distinct deposits. The Fennell deposit is centred on a small 400-metre diameter quartz diorite intrusive. Free gold mineralization is associated with shallow dipping quartz-carbonate veins with thicknesses varying from a few millimetres to 1.5 metres. Main veins also extend a few hundred metres into the surrounding volcanics and carry significant mineralization.

The 1.8-kilometre long Wenot deposit consists of a series of narrow bands of felsic tuff associated with East-West trending, steeply dipping shear zones. Gold mineralization is closely associated with these felsic units.

Both deposits show a laterite and saprolite weathering cover of up to 75 metres showing the same geologic characteristics as the underlying hard rock. Additional potential for mineralization on the Omai concession would result from basic exploration, since the two main deposits are well defined at this time.

OGML was incorporated under the laws of Guyana on August 15, 1991. At that time, the three shareholders of OGML, Cambior, Golden Star and the State of Guyana respectively owned 60%, 35%

and 5% of the voting common shares of OGML. On April 13, 1993, Cambior exercised an option to increase its participation in the share capital of OGML from 60% to 65% of the common shares in return for a cash consideration of CAN $2 million paid to Golden Star.

The State of Guyana also holds options entitling it to increase its common share holdings in OGML. The first option allows the State to increase its common share holdings from 5% to 10%, and may only be exercised between the eighth and tenth anniversaries of the commencement of commercial production. The second option allows the State to increase its interest from 10% to 32%, and may only be exercised between the tenth and twelfth anniversaries of the commencement of commercial production. These options may be exercised separately or cumulatively. In each case, the exercise price would be based on a North American capital markets valuation of OGML as if OGML were a publicly held company. In any event, even though the State of Guyana could exercise both options, the shareholders have agreed that Cambior's required contribution of shares would be such that its interest will never be reduced below 51%, with Golden Star responsible for providing the remainder.

In addition, the relationship among Cambior, Golden Star, OGML and the State of Guyana is governed by a Mineral Agreement executed on August 16, 1991. The Agreement provides in particular for the granting to OGML of the Mining Licence by the Government of Guyana subject to a 5% in-kind royalty on mineral production payable to the Government of Guyana. The Agreement allows for the exportation and sale of gold production and capital and profit repatriation. Finally, the Agreement stipulates that any disagreement between the parties shall be submitted to international arbitration.

Open pit commercial gold production commenced on January 15, 1993. On August 19, 1995, operations at Omai were suspended due to the failure of the main tailings dam. Operations resumed on February 4, 1996. A mill expansion became operational during the third quarter of 1996 and consisted of an increase in the capacity of the cyanidation and carbon-in-pulp mill circuits as well as the addition of three grinding mills. This allowed the daily milling rate to increase from 13,000 tonnes to about 20,000 tonnes of ore per day by the end of 1996.

The surface infrastructure at the Omai Mine includes a conventional mill equipped with two grinding circuits using cyanidation and carbon-in-pulp processes with gravity circuits, service buildings, administrative offices, a warehouse, a maintenance shop, a laboratory and camp facilities to house employees. Electric power is supplied by fifteen diesel generators with a total installed capacity of 48 megawatts. The mine site also includes a tailings pond allowing the natural degradation of the cyanide and decanting of processed ore and recirculation of the water used in milling.

2.1.3 Principal Development Projects

2.1.3.1 Gross Rosebel

The Gross Rosebel Property is located 80 kilometres south of the coastal city of Paramaribo, the capital of Suriname. The property is accessible by plane or by road from Paramaribo.

In December 1995, pursuant to the June 1st, 1994 option agreement, Cambior exercised its option to acquire a 50% interest in Golden Star's rights to the project, having funded $6.3 million in exploration and development expenditures on the property over a period of 18 months. Pursuant to the agreement with Golden Star, Cambior funded, in April 1996, a further $2.5 million in expenditures, which expenditures will be reimbursed to Cambior on a priority basis from any future mining cash flow. Since April 1996, project expenses have been funded equally by the partners.

According to an agreement dated April 7, 1994 between Golden Star, the Republic of Suriname and Grasshopper Aluminum Company N.V. ("Grassalco"), Grassalco holds an option to acquire a 20% interest in the project (*i.e.*, in the share capital of the eventual Operating Company) at an exercise price equal to 20% of accumulated project costs. This option is exercisable only after the approval of the feasibility study and the granting of an exploitation concession. Grassalco also has a second option to acquire an additional 20% interest in the share capital of the Operating Company. The exercise price of the second option will be based on a North American capital markets valuation of shares of companies having the same characteristics as those of the Operating Company. The second option may only be exercised after the eighth year of production. Upon the exercise of any of these options, Cambior and Golden Star have agreed to assign, in equal proportions, shares of the Operating Company that are required for the exercise of any such option.

2.1.3.2 Carlota

The Carlota project is located a few kilometres from the town of Miami, in Arizona. The copper-oxide resources at Carlota are divided into two distinct zones, namely the Carlota/Cactus zone and the two smaller Eder deposits about 1,500 metres to the Southwest. The copper mineralization is predominantly within the breccia and dacitic volcanics and within the Kelly fault in the Carlota/Cactus deposit. It is found within breccia and schists in the Eder deposits.

The Carlota property hosts three copper-oxide deposits. It consists of 521 claims, of which 23 are patented claims and 498 are unpatented claims, covering an area of 2,250 hectares in the Globe-Miami area of the State of Arizona, in the United States.

An unpatented mining claim is a particular parcel of public land for which an individual or company has asserted a right of possession for developing and extracting a mineral deposit. This right is subject to payment of an annual maintenance fee to maintain the claim in good standing.

Valid unpatented mining claims are real property and the holder thereof has a valid marketable title for mining purposes, subject to the paramount title remaining with the United States Government until a patent is granted. This possessory title may be maintained as long as the appropriate laws are complied with.

A patented mining claim is one for which the United States Government has passed to the holder thereof, exclusive title to the locatable minerals and, in most cases, to the surface and to all resources. A “patent” is the document by which the government conveys full legal title to the mining claim. No further assessment work needs to be done once a patent has been granted; however, taxes and other fees must be paid.

2.1.3.3 El Pachón

The El Pachón project lies in Argentina, two kilometres from the border with Chile and approximately 185 kilometres west of the city of San Juan. The El Pachón project consists of 31 mining concessions covering a surface area of 1,855 hectares and surface rights over more than 34,000 hectares. Cambior holds 50% of the common shares of Pachón S.A. Minera (“Pachón”), the Argentinean company that owns a 100% interest in the El Pachón project. Cambior appoints half of the directors of Pachón and has a casting vote at the board level.

2.1.4 Principal Exploration Properties

In Canada, Cambior currently holds interests in 59 exploration projects, mainly in northwestern Québec, covering a total area of 92,585 hectares, excluding the Grand-Nord and Moyen-Nord projects which cover an area of 69,920 hectares. With the exception of the Grand-Nord and Moyen-Nord projects, Cambior’s Canadian properties are generally easily accessible and are close to existing socio-economic infrastructure.

2.2 PROPERTY, PLANT AND EQUIPMENT

The following tables present the Company’s investments in property, plant and equipment for the years 1999 and 1998, by property, with changes in such investments due to expenditures, depreciation and amortization and write-downs.

1999

(in thousands of US dollars $)

	Nature of ownership	% ownership	Net book value as at 31-Dec-98	Acquisitions 1999	Depreciation and Amortization 1999	Write-down 1999	Exchange rate adjustment (1)	Net book value as at 31-Dec-99
PRODUCTIVE ASSETS								
Doyon Mine	Wholly-owned	100	176,486	20,794	(20,878)	(18,700)	11,031	168,733
Omai Mine		65	185,237	19,559	(32,144)	(39,818)	-	132,834
Sleeping Giant Mine	Joint Venture	50	5,244	2,090	(1,596)	-	346	6,084
Bouchard Hébert Mine - Base metal asset	Wholly-owned	100	62,125	2,901	(10,934)	(28,947)	3,793	28,938
Langlois Mine - Base metal asset	Wholly-owned	100	91,144	7,286	(5,341)	(89,299)	6,033	9,823
Niobec Mine	Joint Venture	50	9,630	1,917	(835)	-	636	11,348
Corporate			10,416	535	(1,127)	(5,417)	(678)	3,729
			540,282	55,082	(72,855)	(182,181)	21,161	361,489
DEVELOPMENT PROJECTS								
Cerro San Pedro - Gold	Corporate Joint Venture	50	14,880	5,807	-	(11,687)	-	9,000
Gross Rosebel - Gold	Joint Venture	50	17,133	344	-	-	-	17,477
Yaou Dorlin - Gold	Joint Venture	50	13,386	602	-	(13,988)	-	-
Huamachuco - Gold	Wholly-owned	100	6,658	5,866	-	(12,524)	-	-
La Granja - Base metal	Wholly-owned	100	53,771	2,578	-	(12,675)	-	43,674
El Pachon - Base metal	Joint Venture	50	20,154	316	-	(5,470)	-	15,000
Carlota - Base metal	Wholly-owned	100	60,663	1,650	-	(52,313)	-	10,000
			186,645	17,163	-	(108,657)	-	95,151
TOTAL			726,927	72,245	(72,855)	(290,838)	21,161	456,640

(1): This adjustment reflects the difference in the net book value of the Canadian operations relative to the US exchange rate in effect at the end of each reporting period.

1998

(in thousands of US dollars)

	Nature of ownership	% ownership	Net book value as at 31-Dec-97	Acquisitions 1998	Depreciation and Amortization 1998	Write-down 1998	Exchange rate adjustment (1)	Net book value as at 31-Dec-98
PRODUCTIVE ASSETS								
Doyon Mine	Wholly-owned	100	77,255	125,107	(18,317)	-	(7,559)	176,486
Omai Mine		65	195,681	19,729	(30,173)	-	-	185,237
Sleeping Giant Mine	Joint Venture	50	6,055	779	(1,202)	-	(388)	5,244
Bouchard Hébert Mine - Base metal asset	Wholly-owned	100	69,418	4,785	(7,474)	-	(4,604)	62,125
Langlois Mine - Base metal asset	Wholly-owned	100	98,535	4,179	(5,003)	-	(6,567)	91,144
Niobec Mine	Joint Venture	50	8,214	3,055	(1,024)	-	(615)	9,630
Corporate			13,844	1,373	2	(4,471)	(332)	10,416
			469,002	159,007	(63,191)	(4,471)	(20,065)	540,282
DEVELOPMENT PROJECTS								
Cerro San Pedro - Gold	Corporate Joint Venture	50	2,342	12,538	-	-	-	14,880
Gross Rosebel - Gold	Joint Venture	50	16,459	674	-	-	-	17,133
Yaou Dorlin - Gold	Joint Venture	50	12,108	1,278	-	-	-	13,386
Huamachuco - Gold	Wholly-owned	100	2,780	3,878	-	-	-	6,658
Metates - Gold	Joint Venture	50	13,666	248	-	(13,914)	-	-
La Granja - Base metal	Wholly-owned	100	51,451	2,320	-	-	-	53,771
El Pachon - Base metal	Joint Venture	50	19,615	539	-	-	-	20,154
Carlota - Base metal	Wholly-owned	100	60,249	414	-	-	-	60,663
			178,670	21,889	-	(13,914)	-	186,645
TOTAL			647,672	180,896	(63,191)	(18,385)	(20,065)	726,927

(1): This adjustment reflects the difference in the net book value of the Canadian operations relative to the US exchange rate in effect at the end of each reporting period.

Item 3. Legal Proceedings.

OGML is a defendant in a variety of legal proceedings in Guyana stemming from a 1995 tailings dam failure at the Omai mine in Guyana (**reference is made to subsection 1.4.4.3 (a) above**). These proceedings include a class action suit filed in 1998 for an amount equal to approximately $100 million and other actions where, in most cases, the amount claimed has not been specified. The Company continues to contest or otherwise resolve these claims and, based on currently available information, believes that the results of such claims, in the aggregate, will not have a material adverse effect on the Company's financial condition.

While a judgment in the amount of $100 million would have a material adverse effect on the Company, management of OGML and management of the Company strongly believe that the likely amount of damages would be much less than $100 million and would not have a material adverse effect on the Company's financial condition. It is anticipated that any such settlement would be funded out of operating cash flow of OGML.

Item 4. Control of Registrant.

The following table sets forth certain shareholding information as follows:

Title of Class	Identity of Person or Group	Amount Owned	Percent of [(2)] Class
Common shares, without par value	Jipangu Inc.	20,000,000 [(3)]	22.08%
Common shares, without par value	Caisse de dépôt et placement du Québec	12,279,178 [(1)]	13.55%
Common shares, without par value	Snyder Capital Management Inc.	7,904,300 [(1)]	8.72%
Common shares, without par value	Directors and officers of Cambior Inc. as a group	96,945	0.13%

[(1)] These figures were computed on or around December 31, 2000, which is the date of the latest available data.
[(2)] Based on the aggregate of 90,562,871 issued and outstanding common shares of Cambior as of the date hereof.
[(3)] As from January 18, 2001.

Item 5. Nature of Trading Market.

From the closing of the Company's initial public offering on August 13, 1986 until December 7, 1999, Cambior's common shares traded on the Montreal and Toronto stock exchanges under the symbol CBJ. Due to the restructuring of all Canadian stock exchanges, Cambior's shares no longer trade on the Montreal Exchange and the only non-United States trading market for the Company's common shares is the TSE. Cambior's common shares have also traded on the AMEX since June 27, 1994.

The following table sets forth, for the periods indicated, the reported high and low market quotations for Cambior's common shares on the TSE and the AMEX.

Year ended December 31	***TSE CAN $***		***AMEX US $***	
1998	**High**	**Low**	**High**	**Low**
First quarter	9.75	7.4	6.88	5.19
Second quarter	11.8	8.25	8.25	5.63
Third quarter	9.45	6.5	6.38	4.13
Fourth quarter	9.8	7	6.44	4.5
1999				
First quarter	8.75	5.8	5.81	3.81
Second quarter	6.35	4.05	4.19	2.88
Third quarter	7.3	3.37	4.75	2.31
Fourth quarter	6.2	1.23	4.13	1
2000				
First quarter	2.28	1.05	1.63	0.75
Second quarter	1.19	0.67	0.81	0.44
Third quarter	0.95	0.48	0.69	0.31
Fourth quarter	0.70	0.36	0.44	0.22

Item 6. Exchange Controls and Other Limitations Affecting Security Holders.

Not applicable

Item 7. Taxation

The following summary, which deals only with Common Shares held as capital property, is based on the provisions of the *Income Tax Act* (Canada) (the "Canadian Tax Act"), the Regulations adopted thereunder , the *Canada-US Income Tax Convention* (1980), as amended (the "Convention") and the administrative positions of the Canada Customs & Revenue Agency as they exist at the date hereof. It does not take into account or consider any other Canadian federal tax considerations or provincial, territorial or foreign tax considerations. It is of a general information nature only and does not purport to be a complete analysis or discussion of all potential tax considerations that may be relevant for a holder of Common Shares. The tax treatment may vary depending upon a holder's particular situation. **The Company urges holders of Common Shares to consult their own tax advisers with respect to their particular tax consequences.**

Canada

Disposition

A holder who is a non-resident of Canada (a "Non-Resident Holder") will not be subject to tax under the Canadian Tax Act in respect of any capital gain on a disposition of Common Shares if at the time of such disposition such shares do not constitute taxable Canadian property of the Non-Resident Holder for purposes of the Canadian Tax Act. Common Shares will not constitute taxable Canadian property of a Non-Resident Holder at the time of a disposition of such shares unless such Non-Resident Holder uses or holds or is deemed to use or hold such shares in or in the course of carrying on business in Canada or, at any time during the five-year period immediately preceding the disposition of such shares, not less than 25% of the issued shares of any class of the share capital of the Company belonged to such shareholder alone or together with persons with whom such shareholder did not deal at arm's length.

Dividends

Dividends paid or credited to a Non-Resident Holder will generally be subject to Canadian withholding tax at a basic rate of 25%, subject to reduction pursuant to the terms of an applicable tax treaty. Currently, under the Convention, the rate of Canadian withholding tax on the gross amount of dividends beneficially owned by a person who is a resident of the U.S. for the purpose of the Convention and who does not have a "permanent establishment" or "fixed base" in Canada is 15%. Where such beneficial owner is a company which owns at least 10% of the voting shares of the Company, the applicable withholding rate is 5%.

United States

The following is a summary of certain United States federal income tax consequences of the ownership of Common Shares by a U.S. Holder (as defined below) who holds such Common Shares as capital assets. This summary does not purport to address all material tax consequences of the ownership of Common Shares, and does not take into account the specific circumstances of any particular investors (such as tax-exempt entities, certain insurance companies, broker-dealers, traders in securities that elect to mark to market, investors liable for alternative minimum tax, investors that actually or constructively own 10% or more of the voting stock of the Company, investors that hold Common Shares as part of a straddle or a hedging or conversion transaction or investors whose functional currency is not the U.S. dollar), some of which may be subject to special rules. This summary is based on the tax laws of the United States (including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions) as in effect on the date hereof, as well as on the Convention, all of which are subject to change (or changes in interpretation), possibly with retroactive effect.

For purposes of this discussion, a "U.S. Holder" is any beneficial owner of Common Shares that is (i) a citizen or resident of the United States, (ii) a corporation organized under the laws of the United States or any State, (iii) an estate the income of which is subject to United States federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust. An "Eligible U.S. Holder" is a U.S. Holder that (i) is a resident of the United States for purposes of the Convention, (ii) does not maintain a permanent establishment or fixed base in Canada to which Common Shares are attributable and through which the beneficial owner carries on or has carried on business (or, in the case of an individual, performs or has performed independent personal services) and (iii) who is not otherwise ineligible for benefits under the Convention with respect to income and gain derived in connection with the Common Shares.

Taxation of Dividends

Under the United States federal income tax laws, Eligible U.S. Holders will include in gross income the gross amount of any dividend paid (before reduction for Canadian withholding taxes) by the Company out of its current or accumulated earnings and profits (as determined for United States federal income tax purposes) as ordinary income when the dividend is actually or constructively received by the Eligible U.S. Holder. The dividend will not be eligible for the dividends-received deduction generally allowed to United States corporations in respect of dividends received from other United States corporations. Distributions in excess of current and accumulated earnings and profits, as determined for United States federal income tax purposes, will be treated as a return of capital to the extent of the Eligible U.S. Holder's basis in the Common Shares and thereafter as capital gain.

Subject to certain limitations and the provisions of the next paragraph, the Canadian tax withheld and paid over to Canada will be creditable against the Eligible U.S. Holder's United States federal income tax liability. For foreign tax credit limitation purposes, the dividend will be income from sources without the United States, but generally will be treated separately, together with other items of "passive income" (or, in the case of certain holders, "financial services income").

It is possible that, on the date a dividend is paid, the Company will be at least 50% owned by United States persons. Under Section 904(g) of the Code, dividends paid by a foreign corporation that is at least 50% owned by United States persons may be treated as United States source income (rather than foreign source income) for foreign tax credit purposes to the extent the foreign corporation has more than an insignificant amount of United States source income. The effect of this rule may be to treat a portion of the dividends paid by the Company as United States source income.

The rules relating to the determination of the foreign tax credit are complex and U.S. Holders should consult with their own tax advisors to determine whether and to what extent a credit would be available.

Taxation of Capital Gains

Upon a sale or other disposition of Common Shares, an Eligible U.S. Holder will recognize gain or loss for United States federal income tax purposes in an amount equal to the difference between the U.S. dollar value of the amount realized and the Eligible U.S. Holder's tax basis (determined in U.S. dollars) in such Common Shares. Generally, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Eligible U.S. Holder's holding period for such Common Shares exceeds one year and any such gain will be income from sources within the United States for foreign tax credit limitation purposes. Long-term capital gain of a non-corporate U.S. Holder is generally subject to a maximum tax rate of 20%.

PFIC Rules

The Company believes that the Common Shares will not be treated as stock of a passive foreign investment company ("PFIC") for United States federal income tax purposes, but this conclusion is a factual determination made annually and thus may be subject to change.

A non-U.S.Company is a PFIC for U.S. federal income tax purposes in any taxable year in which either (i) at least 75% of its gross income is passive income or (ii) at least 50% of the average value of its assets is attributable to assets that produce or are held to produce passive income. If the Company were a PFIC in any year during which a U.S. Holder owns Common Shares, the U.S. Holder would be subject to additional taxes on certain distributions received from the Company and any gain realized from the sale or other disposition of the Common Shares (whether or not the Company continued to be a PFIC).

Item 8. Selected Financial Data.

Five Year Annual Review 1995-1999

Years ended December 31 (*unaudited*) *(all amounts in thousands of U.S. dollars)*[1]	1999	1998	1997	1996	1995
KEY FINANCIAL DATA (*in thousands)*					
Total revenues	331,847	343,593	324,366	313,124	252,484
Net revenues	282,612	297,901	275,765	263,911	229,399
Mining expenses	184,185	187,688	169,969	171,931	150,643
Depreciation, depletion and amortization	72,855	63,191	50,443	54,422	35,376
Administrative expenses	6,603	5,906	6,959	5,943	5,409
Exploration expenses	8,033	7,948	12,832	9,791	12,096
Financial expenses	13,004	9,896	11,115	8,431	7,590
Earnings before interest, taxes and depreciation, and amortization (EBITDA)	81,662	88,678	77,946	70,735	57,250
Writedown of mining assets and other	350,536	24,495	–	–	19,087
Net earnings (loss)	(357,968)	(11,456)	7,070	4,626	(6,567)
Cash flow from operations[2]	16,806	85,604	101,645	63,346	45,046
Dividends[3]	1,764	3,520	6,256	6,201	5,203
Investments	71,403	182,854	101,018	114,403	168,712
Total assets	521,674	808,888	764,792	802,411	710,625
Cash and cash equivalents	5,931	22,018	51,214	111,364	62,537
Total debt[4]	214,373	166,467	141,397	199,446	202,141
Net debt[4]	208,442	144,449	90,183	88,082	139,604
Shareholders' equity	219,129	549,535	536,279	547,819	434,500
Weighted average shares outstanding (millions)	70.6	69.6	60.2	58.8	50.4
Shares outstanding at year end (millions)	70.6	70.6	60.2	60.1	52.0
KEY PER SHARE DATA (*dollars*)					
Earnings before interest, taxes and depreciation, depletion and amortization (EBITDA)	1.16	1.27	1.30	1.20	1.14
Cash flow from operations[2]	0.24	1.23	1.69	1.08	0.89
Earnings (Loss)	(5.07)	(0.16)	0.12	0.08	(0.13)

Years ended December 31 (*unaudited*) *(all amounts in thousands of U.S. dollars)*[1]	1999	1998	1997	1996	1995
Dividends[3]	0.025	0.05	0.10	0.10	0.10
Shareholders' equity	3.10	7.79	8.91	9.11	8.35
KEY PRODUCTION DATA					
Production (oz Au)	629,967	637,825	520,031	502,065	446,089
Gold price used for reserve calculation ($/oz)	325	325	350	400	400
Total reserves (oz Au)	5,379,000	5,177,000	7,419,000	6,118,000	5,638,000
Realized price ($/oz)	356	389	424	423	420
Market price ($/oz)	279	294	331	388	384
Direct mining cost ($/oz)[5]	215	233	255	257	279
Depreciation, depletion and amortization ($/oz)	94	83	82	91	68
Number of employees	2,204	2,447	1,929	1,810	1,965

1. As a result of its increasing international activities, Cambior adopted the US dollar as its reporting currency commencing January 1, 1996. The prior year's financial statements have been converted at the December 31, 1995, closing exchange rate of CAN $1.3640 for US $1.

2. Before changes in non-cash working capital items. The comparative data for 1998 and 1997 have been reclassified to conform to the new accounting standard in place since the beginning of 1999, relating to the cash flow statements. The data for 1996 and 1995 have not been restated.

3. Under the terms of the agreement with its financial counterparts, Cambior has given a commitment not to pay dividends.

4. Includes an unrealized gain of $7,586,000 in 1996 and a deferred charge of $946,000 in 1995. Because the Company had no gold loans at the end of 1999, 1998 and 1997, there was no unrealized gain or deferred charge included in total debt and net debt during those years.

5. Since the beginning of 1996, Cambior's gold production costs have been reported in accordance with the Gold Institute Production Gold Standard.

Revenues from 1995 to 1998

From 1995 to 1998, Cambior's total revenue increased steadily due primarily to increases in metal production throughout the period. However, Cambior's revenue does not necessarily evolve in tandem with its commercial metal production, as revenue is also sensitive to variations in metal prices.

Other considerations regarding the Company's revenues are set forth under **Item 9 of this Form 20-F - Management's Discussion and Analysis of Financial Condition and Results of Operations**.

Earnings

The $6.6 million ($0.13 per share) loss incurred in 1995 resulted from a combination of factors, the most important of which was the suspension of the Omai mining activities. This event resulted in lost production of 87,000 ounces of gold as well as incident and standby costs of $11.2 million. For the year ended December 31, 1996, resumption of mining activities at the Omai Mine, together with the commissioning of the expansion of the Omai mill, were major events that enabled the Company to generate earnings in 1996. The Company's net earnings in 1997 reached $7.1 million, or $0.12 per share, and resulted from a combination of factors, including stable and sustained production at the Omai Mine following the mill expansion, resumption of operations at the Langlois Mine in July 1997 as well as an above-budget milling rate at the Bouchard-Hébert Mine.

The $11.5 million ($0.16 per share) loss incurred in 1998 resulted from a non-cash writedown of $24 million ($23 million net of income taxes and mining duties) posted by the Company in light of sustained weakness in the gold market. This write-down was mainly attributable to the write-off of the Metates gold/silver property in Mexico and the devaluation of certain assets and investments. Cambior had revenues of $344 million in 1998, up 6% from 1997. This increase in revenues is primarily due to the acquisition of the residual 50% interest in the Doyon Mine.

Net earnings before interest, taxes and depreciation, depletion and amortization (EBITDA), or operating margin, totalled $82 million in 1999 compared to $89 million in 1998. The decrease of $7.0 million compared to 1998 is attributable to a lower realized gold price. Earnings before interest, taxes and depreciation, depletion and amortization was $78 million in 1997.

The net loss for 1999 was $358 million, or $5.07 per share, compared to a net loss of $11.5 million, or $0.16 per share, for 1998, and net earnings of $7.1 million, or $0.12 per share, for 1997. The loss for 1999 is mainly attributable to a writedown of mining assets of $291 million and a restructuring charge of $57.3 million. **This charge results from the 1999 events which are described in note 1 of the Company's consolidated Financial Statements presented under Item 17 of this Form 20-F.**

During the last quarter of 1999, the Company retained the services of UBS Warburg as financial advisors in order to evaluate the various options available to reduce indebtedness and maximize shareholder value. The Company subsequently embarked on a process for the sale of assets or the completion of a corporate transaction. At the end of 1999, the Company carried out the annual evaluation of its property, plant and equipment and re-evaluated all of its mining assets in the context of an asset disposal program and current market conditions. As a result, a writedown of mining assets of $291 million has been charged to earnings.

The gold hedging program allowed the Company to generate a realized gold price of $356 per ounce in 1999, a premium of $77 per ounce compared to the market price. The average realized prices for 1998 and 1997 were $389 per ounce and $424 per ounce, respectively.

Assets and Liabilities

Long-term debt, including the current portion of long-term debt, increased in 1995, due to the financing of the expansion of the Omai mill and to the development of the Bouchard-Hébert and Langlois projects and work on the Carlota project. On February 29, 1996, Cambior completed a public offering for proceeds of CAN $167 million, by issuing 8 million common shares at CAN $20.875 per share, on the basis of an agreement with a group of underwriters. Net proceeds of CAN $160 million were added to the Company's working capital and were used to fund the expansion of its asset base. As at December 31, 1996, the total value of Cambior's assets reached $802 million, a 13% increase over the previous year. This increase is mainly due to the increase in cash assets of the Company further to the aforementioned share offering.

As at December 31, 1997, the total assets of the Company amounted to $765 million, reflecting a $37 million decrease relative to the previous year, mainly attributable to a reduction of cash on hand.

As at December 31, 1998, the total assets of the Company amounted to $809 million, compared to total assets of $765 million as at December 31, 1997. This $44 million increase was mainly attributable to the acquisition of the remaining interest in the Doyon Mine. Cash had decreased by $29 million to $22 million as a result of investments in mining assets. Total debt had increased by $25 million to reach $167 million at the end of 1998.

On February 3, 1998, the Company completed a public offering of 10.2 million common shares at a price of CAN $7.50 per share for net proceeds of CAN $73.1 million. Net proceeds have been used to pay the first installment of the purchase price for the residual 50% interest in the Doyon Mine.

On July 28, 1998, Cambior had signed a new agreement with a banking syndicate for a credit facility of 750,000 ounces of gold or $250 million (the "Credit Facility"). Advances under the Credit Facility could be denominated at the Company's option as gold loans, dollar LIBOR loans or dollar Base Rate loans. This new facility consisted of a $250 million revolving credit amortized over a five-year period with seven semi-annual reductions beginning on June 30, 2000 and ending on June 30, 2003. The reduction term of the Credit Facility could be extended by one year at each anniversary by mutual agreement between Cambior and the banking syndicate.

Amounts outstanding under the Credit Facility bore interest at the Gold Base Rate for gold loans and at the LIBOR rate for dollar loans, plus a premium determined quarterly based on the Company's debt to operating cash flow ratio. The Credit Facility was unsecured except for the eventual proceeds from a foreign investment insurance policy that Cambior contracted with the Export Development Corporation (EDC) for its Omai mine located in Guyana. The policy covers the investment to a maximum of $100 million.

On December 22, 1999, in accordance with the restructuring of the gold hedging program, the Company entered into an amended and restated Credit Facility agreement with the Financial Creditors. Under this amended and restated Credit Facility, the maximum credit available has been limited to the amount due at that date, or $212 million, and the possibility of conversion of the loan into a gold loan has been eliminated. As well, all of the loan obligations will mature on December 31, 2000. No additional loans will be permitted under this agreement.

Interest on this loan was payable monthly at the LIBOR rate plus 0.75% or at the Base Rate until June 30, 2000, at the Company's option. Supplementary interest charges equal to 3.25% per year in the case of LIBOR or 2% per year for the Base Rate had been deferred until June 30, 2000, subject to compulsory early repayment should assets be sold or any additional capital be raised before this date. Commencing June 30, 2000, the additional interest has increased by 1% per annum in each month and is payable monthly until the loan maturity date of December 31, 2000.

Bonds secured by a hypothec for a maximum amount of CAN $600 million have been pledged as security for obligations under the Credit Facility, gold hedging and base metals commitments and foreign exchange contracts. This hypothec consists of a first-ranking fixed charge on the Doyon and Mouska mines, and a charge on all of the other assets of the Company for a maximum amount of CAN $700 million. Furthermore, the Company has agreed to restrictions on its capital expenditures and its hedging activities. It has also agreed not to borrow additional amounts from third parties or pay dividends and to use a substantial portion of the proceeds from any sale of assets or share offering to repay its obligation to the Financial Creditors.

At December 31, 1999, the Company's total assets amounted to $522 million compared to $809 million at December 31, 1998. The decrease was primarily attributable to the $291 million asset writedown taken on December 31, 1999. Cash decreased by $16 million, mainly in the fourth quarter, due to the restrictions imposed by the Financial Creditors on hedging operations and to related financial expenses.

The long-term debt amounts to $214 million at the end of 1999, including the current portion of $212 million resulting from the December 31, 2000 loan maturity date provided for in the amended and restated Credit Facility agreement signed on December 22, 1999. A compulsory instalment totalling not less than $75 million, including restructuring fees, additional deferred interest costs and the amount of $8 million due to the hedge counter-parties, as security for Cambior's obligations under the fixed forward contracts, was paid on June 30, 2000.

Two Year Quarterly Review 1998 - 1999

	(in thousands of dollars, except per share amounts)							
	1999				1998			
	1Q	**2Q**	**3Q**	**4Q**	1Q	2Q	3Q	4Q
Total revenue	**85,577**	**80,272**	**85,081**	**80,917**	**92,500**	**91,614**	**82,594**	**76,885**
Net Earnings (Net Loss)	**1,000**	**99**	**(27,300)**	**(331,767)**	**9,605**	**2,072**	**432**	**(23,565)**
Earnings (Loss) per share	**0.01**	**0.00**	**(0.39)**	**(4.70)**	**0.14**	**0.03**	**0.01**	**(0.33)**

Revenues for the Company for the first quarter of 1999 amounted to $86 million, as compared to $92 million for the same period in 1998. While Cambior's hedging program continued to attenuate the negative impact of the weak gold market and generated a $77 per ounce premium over the average spot price of $287 per ounce, financial results were nevertheless negatively affected as the realized gold price of $364 per ounce was lower than the $469 per ounce realized in the first quarter of 1998. The impact of these weak market conditions was partially offset by an 11% increase in gold production over the corresponding period in 1998. Gold production costs were reduced by 13% to $217 per ounce for the first quarter of 1999.

During the second quarter of 1999, revenues amounted to $80 million despite weak market conditions for gold and metals. The gold hedging program enabled Cambior to realize an average price of $370 per ounce, representing a premium of $97 per ounce over the average market price of $273 per ounce.

While revenues for the third quarter of 1999 amounted to $85 million compared to $83 million for the same period in 1998, the Company posted a $27 million loss as a result of difficulties arising from the dramatic surge in the market price of gold at the end of the third quarter. This loss is attributable to a $28 million after-tax hedging restructuring charge. Nonetheless, Cambior's hedging program generated an average realized price of $371 per ounce of gold during the third quarter, yielding a premium of $112 per ounce over the average market price of $259 per ounce.

For the fourth quarter of 1999, revenues totalled $81 million compared to $77 million for the same period in 1998. As part of the year-end 1999 revision, the Company re-evaluated all of its mining assets in the context of an asset disposal program and current market conditions, and thus incurred a write-down of mining assets totalling $291 million. Consequently, the net loss for the fourth quarter amounted to $332 million compared to a net loss of $24 million in the fourth quarter of 1998.

Summary of differences between generally accepted accounting principles("GAAP") in Canada and in the United States

Consolidated statement of earnings

Years ended December 31 (unaudited) *(all amounts in thousands of US dollars)*	1999 $ (restated)	1998 $ (restated)	1997 $ (restated)	1996 $ (restated)	1995 $ (restated)
Net earnings (loss) as per GAAP in Canada	(357,968)	(11,456)	7,070	4,626	(6,567)
Adjustments to reconcile net earnings (loss) to GAAP in the United States					
Write-down of mining assets	(41,925)	(7,075)	-	-	-
Variation in the determination of income taxes for the year	(9,213)	1,605	(2,185)	(849)	(1,748)
Realization of currency translation adjustment	-	-	-	-	(3,336)
Exchange gain (loss)	(9,986)	-	-	-	751
Unrealized gain (loss) on forward exchange contracts	33,079	(29,914)	(11,916)	8,330	-
Unrealized gain (loss) on options	16,226	(2,300)	(4,400)	(752)	(1,832)
Unrealized loss on variable volume forward sales	(26,800)	-	-	-	-
Reclassification of Mining properties as "Exploration" from "Development"	19,700	7,836	(11,988)	(9,563)	(12,121)
Net earnings (loss) as per GAAP in the United States	(376,887)	(41,304)	(23,419)	1,792	(24,853)

The Company did not account for discontinued operations in respect of its base metal sector under Canadian GAAP because the decision to abandon this sector of activities was made after the end of the 1999 fiscal year. Under U.S. GAAP, because this decision was made before publication of the Company's 1999 financial statements, financial information has been adjusted to reflect the discontinued operations.

The loss relating to the discontinued operations is detailed as follows:

	1999 $ (restated)	1998 $ (restated)	1997 $ (restated)	1996 $ (restated)	1995 $ (restated)
Loss before discontinued operations	(187,501)	(35,453)	(24,930)	6,315	(29,246)
Earnings (Loss) from discontinued operations	(51,000)	(5,851)	1,511	(4,523)	4,393
Estimated loss from disposal	(138,386)	-	-	-	-
Net loss as per GAAP in the United States	(376,887)	(41,304)	(23,419)	1,792	(24,853)
Earnings (Loss) per share as per GAAP in the United States:					
Continuing operations	(2.66)	(0.51)	(0.41)	0.11	(0.58)
Discontinuing operations	(2.68)	(0.09)	0.02	(0.08)	0.09
Total	(5.34)	(0.60)	(0.39)	0.03	(0.49)

For a complete discussion of this matter, **see Note 16 to the consolidated financial statements in Item 17 of this Form 20-F**.

Item 9. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes **in Item 17 of this Form 20-F**. The consolidated financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("Cdn GAAP"). For the U.S. GAAP reconciliation, see **Note 16 of the attached consolidated financial statements in Item 17 of this Form 20-F**.

Summary

The net loss for 1999 was $358.0 million, or $5.07 per share, compared to a net loss of $11.5 million or $0.16 per share for 1998, and net earnings of $7.1 million or $0.12 per share for 1997. The loss for 1999 is mainly attributable to a restructuring charge of $57.3 million and a writedown of mining assets of $290.8 million.

The restructuring charge is related to the costs of restructuring the Company's gold hedging program ($49.2 million) and financing fees, severance payments, professional fees and other expenses ($8.1 million). This charge results from the 1999 events which are described in Note 1 of the attached consolidated financial statements. To this effect, the Board of Directors of the Company has retained the services of financial advisors in order to evaluate the various options available to reduce indebtedness and maximize shareholder value. The Company accordingly embarked on a process for the sale of assets or the completion of a corporate transaction.

At the end of 1999, the Company carried out the annual evaluation of its property, plant and equipment and re-evaluated all of its mining assets in the context of an asset disposal program and current market conditions. As a result, a writedown of mining assets of $290.8 million has been charged to earnings.

The loss in 1998 reflected a writedown of assets of $18.4 million, mainly attributable to the writeoff of the Metates property located in Mexico.

For 1999, Cambior's gold operations produced 630,000 ounces of gold at an average direct mining cost of $215 per ounce, an 8% reduction compared to the average direct mining cost of $233 per ounce in 1998.

Details of the gold production are as follows:

	1999		1998		1997	
	Ounces	**Direct mining cost ($/ounce)**	Ounces	Direct mining cost ($/ounce)	Ounces	Direct mining cost ($/ounce)
Omai mine	**306,000**	**235**	328,000	239	338,000	245
Doyon Division	**243,000**	**203**	240,000	226	110,000	291
Sleeping Giant mine (50%)	**38,000**	**198**	35,000	187	25,000	254
Bouchard-Hébert/Langlois mines (1)	**43,000**	**159**	35,000	262	37,000	227
Chimo and Silidor mines	**–**	**–**	–	–	10,000	360
	630,000	**215**	638,000	233	520,000	255

(1) Gold equivalent.

The Company also produced 66,000 tonnes of zinc (compared to 62,200 tonnes in 1998 and 47,500 tonnes in 1997), 8,300 tonnes of copper (compared to 6,900 tonnes in 1998 and 8,600 tonnes in 1997) and 1,147 tonnes of ferroniobium (compared to 1,091 tonnes in 1998 and 1,095 tonnes in 1997).

The gold hedging program allowed the Company to generate a realized gold price of $356 per ounce in 1999, a premium of $77 per ounce compared to the market price. The average realized price for 1998 and 1997 were $389 per ounce and $424 per ounce, respectively.

Earnings before interest, taxes and depreciation, depletion and amortization (EBITDA), or operating margin, totaled $81.7 million in 1999 compared to $88.7 million in 1998. The decrease of $7.0 million compared to 1998 is attributable to a lower realized gold price. Earnings before interest, taxes and depreciation, depletion and amortization was $77.9 million in 1997. Cash flow from operations totaled $16.8 million (24¢ per share) compared to $85.6 million ($1.23 per share) in 1998, the large decrease being due to restructuring fees, a lower realized gold price and higher interest expenses. Cash flow from operations was $101.6 million or $1.69 per share in 1997.

Shareholders' equity as at December 31, 1999 is $219.1 million or $3.10 (CAN $4.47) per share.

Consolidated Earnings

Revenues

The Company had revenues of $332 million in 1999, down 3.4% from 1998. At $344 million, 1998 revenues were 5.9% higher than the 1997 revenues of $324 million. Mine operating revenues reflect the value of metals produced and the premium generated by our hedging operations.

The decrease in revenues in 1999 is mainly due to a lower realized gold price than in 1998 ($356 per ounce compared to $389 per ounce) and a drop in production at the Omai mine resulting from lower grades. The realized price for our gold sales in the fourth quarter was negatively affected by the terms of the standstill agreement with the banking syndicate. This decrease in gold revenues was partially offset by a higher realized zinc price ($0.51/lb compared to $0.47/lb).

The increase in revenues in 1998 resulted primarily from the acquisition of the residual 50% interest in the Doyon mine and sustained operation of the Langlois mine, despite lower metal prices.

For 1999, zinc and copper concentrate production represented 13% and 2% of mine operating revenues, respectively, net of refining costs. Ferroniobium production represented 6% of these same revenues. For 1998, zinc and copper concentrate production represented 10% and 1% of mine operating revenues, net of refining costs, and ferroniobium production represented 6% of these same revenues.

As a result of its revenue protection program (**described under Item 1 - subsection 1.4.5.1 above**), the Company has realized, over the last fourteen years, a premium over the average market price for its gold production. In 1999, the realized price was $356 per ounce, while the market price was $279, for a premium of 27.6% or $48.5 million compared to a realized price of $389 per ounce, a market price of $294 and premium of 32.3% or $60.6 million in 1998, and a realized price of $424 per ounce, a market price of $331 and a premium of 28.1% or $48.4 million in 1997.

The base metal hedging program allowed the Company to obtain an average price of $0.51 per pound of zinc in 1999 compared to a market price of $0.49 per pound, and $0.78 per pound of copper compared to a market price of $0.71 per pound.

Expenses

Mine operating costs decreased by 2% in 1999, due mainly to lower production costs at the Doyon Division. The 10% rise in mine operating costs in 1998 resulted from the acquisition of the residual 50% interest in the Doyon mine and sustained operation of the Langlois mine, partially offset however by lower costs at the Omai mine.

In terms of cost per ounce, direct mining costs continued to fall, averaging $215 in 1999 compared to $233 in 1998 and $255 in 1997. The decrease in unit costs in 1999 results from continued cost cutting efforts, mainly at the Doyon Division, where costs dropped from $226 per ounce in 1998 to $203 per ounce in 1999.

The decline in unit costs in 1998 resulted from higher ore grades, a weak Canadian dollar and improved performances from all of the Company's gold operations, principally the Doyon Division, where the cost per ounce fell from $291 in 1997 to $226 in 1998. The Doyon Division also benefitted from the synergy resulting from the consolidation of the Mouska mine.

The rise in smelting, refining and transportation costs in 1999 is due to a 3,800-tonne increase in zinc production, mainly from the Langlois mine. In 1998, smelting, refining and transportation costs declined due to lower unit refining costs for zinc and copper concentrates.

Depreciation, depletion and amortization amounted to $72.9 million in 1999 compared to $63.2 million in 1998 and $50.4 million in 1997. The increase in this item results mainly from a decrease in proven and probable mining reserves at the Doyon and Bouchard-Hébert mines. The increase in 1998 resulted mainly from the acquisition of the residual interest in the Doyon mine, partly offset by an increase in the mine's mining reserves.

Royalties, consisting mainly of the 5% in-kind royalty payable to the Government of Guyana on production from the Omai mine, continued to decline in 1999, given the lower gold production and falling gold prices.

Exploration expenses in 1999 were maintained at the same level as in 1998, or approximately $8.0 million, and were $12.8 million in 1997.

Calculated as a percentage of revenues, administrative costs totalled 2.0% in 1999, 1.7% in 1998 and 2.1% in 1997. Tight controls on administration costs were maintained in reaction to weak metal prices.

Financial costs rose substantially in 1999 as the Credit Facility was in LIBOR-based dollar loans throughout the year compared to 1998, when the Credit Facility was denominated in gold loans bearing interest at the Gold Base Rate for a large part of the year.

In 1999, the Company recorded a $290.8 million writedown of its mining assets, including $18.7 million for the Doyon mine to reflect a decrease in proven and probable mining reserves relative to 1998 and $36.7 million for the Omai mine to reflect a lower realized gold price arising from the restructured hedging program and the impact of higher fuel prices on operating costs. The agreement dated March 14, 2000, concerning the sale of the Bouchard-Hébert and Langlois mines to Breakwater Resources Ltd., results in a writedown of approximately $118.2 million in 1999 to reflect the lesser of the cost and the estimated net realizable value of these assets. Finally, approximately $109 million in writedowns and writeoffs were required in relation to development projects, including the writeoff of the Yaou-Dorlin and Huamachuco gold projects located in French Guiana and Peru, respectively, due to the continued weakness of the gold price as seen over the last several years.

The amount of the asset writedown was determined based on the future cash flow method or as a function of the lesser of cost and the net estimated realizable value for the assets intended for sale.

The assumptions used in the calculation of the undiscounted future cash flows include a gold price of $300 for the year 2000, $315 for 2001 and $325 for the following years, an exchange rate of 1.45 and mining plans as a function of proven and probable reserves. In 1998, a writedown of mining assets of $18.4 million was charged to earnings and was mainly attributable to the Metates project. In 1997, no writedowns were considered necessary.

The assets and liabilities of the Canadian mining operations are translated into U.S. dollars at the exchange rate in effect at the balance sheet date. The functional currency of the Canadian activities is the Canadian dollar. Translation adjustments arising from the conversion are deferred and shown as cumulative translation adjustments in shareholders' equity. Given the agreement concerning the sale of the Bouchard-Hébert and Langlois mines, the Company recognized an exchange loss of $9.2 million in 1999 following the reduction of its net investment in the Canadian operations.

Due to the aforementioned events, the Company posted a $57.3 million restructuring charge in 1999 consisting of the reduction in the hedging position of 1.3 million ounces for a loss of $33.2 million, an agreement between the financial creditors and the Company to pay to the hedge counter-parties an amount of $8.0 million of the net proceeds from projected asset sales, on a priority basis, as security for Cambior's obligations under the fixed forward contracts, the payment of approximately $2.6 million in restructuring fees and a provision of $8.0 million representing the mark-to-market value of the potential excess of the Company's gold sales commitments over its expected gold production for 2000 to 2002, such excess estimated at 700,000 ounces of gold. The Company has also accounted for severance payments in its exploration, projects and construction and administration sectors, along with other legal and financial costs for $5.5 million.

The Company is primarily subject to income taxes in Canada and Guyana, as well as mining taxes on income earned from its Quebec mining operations. The Company was only required in 1999, 1998 and 1997 to pay the minimum tax on large corporations and a small amount in mining taxes.

In 1999, the Company recorded a recovery on income and mining taxes of $9.5 million compared to income taxes of $5.0 million in 1998 and $6.1 million in 1997. This recovery of income and mining taxes resulted mainly from the reversal of deferred mining duties appearing on the balance sheet as at December 31, 1998. Despite the significant writedown of mining assets and consequently the excess, at the end of 1999, of the tax values compared to the book values, a tax benefit of $45 million was not recognized due to the absence of near-certainty of realizing this asset.

The minority interest charged to earnings represents the repurchase, during the period, of preferred shares of Omai Gold Mines Limited (OGML) held by minority shareholders.

Consolidated Cash Flows

Operating Activities

Due to new accounting standards regarding cash flows, corresponding comparative data has been restated to comply with the new requirements.

Cash flow from operations (before changes in non-cash working capital items) fell substantially in 1999 to $16.8 million. The impact of the restructuring charge, the decrease in the realized gold price and the realization of a gain in 1998 from the conversion of our loans explain this decrease. Cash flow from operations (before changes in working capital items) amounted to $85.6 million in 1998 and $101.6 million in 1997. The decrease in 1998 compared to 1997 was primarily due to lower gains from the conversion of gold loans into dollar loans. Per share cash flow from operations stands at $0.24 per share for 1999 compared to $1.23 for 1998 and $1.69 for 1997.

The variation in the non-cash working capital items of $5.8 million results mainly from the increase in settlements receivable, partially offset for by a decrease in supplies inventory. The variation of $1.7 million in 1998 resulted principally from a decrease in accounts payable, partially offset for by a decrease in supplies inventory and prepaid expenses.

Investing Activities

A summary of investments in property, plant and equipment and business acquisitions is as follows:

(millions of $)	**1999**	1998	1997
Canada	**35.6**	135.4	37.8
Omai Gold Mines Ltd.	**19.6**	19.7	14.2
International	**17.0**	21.6	46.1
Total	**72.2**	176.7	98.1

Canada

In Canada, 1999 investments consisted mainly of ongoing development programs at the Doyon, Mouska and Langlois mines to allow mining of the deposits laterally and at depth.

Investments in 1998 consisted mainly of the acquisition of the residual 50% interest in the Doyon mine held by Barrick Gold Corporation (“Barrick”) for $94.7 million, before the impact of the transfer of an exploration property for $4.2 million. The acquisition cost consisted principally of a cash payment of $50.0 million and a purchase price balance of $45 million. The cash portion of $50.0 million, payable upon closing of the transaction, was raised through a public offering of 10.2 million common shares at a price of CAN $7.50 ($5.17) per share. A sum of $25.0 million was paid on June 30, 1998 and the balance of $20.0 million was paid on December 31, 1998.

Cambior also agreed to grant Barrick a gold price participation right on future production from the Doyon mine. Under this participation right, Barrick would receive an annual payment for an amount equal to 24.75% of the excess, if any, of the average annual market price for gold above $375 per ounce multiplied by the number of ounces of gold produced from the Doyon mine during such year. The participation right applies to a cumulative maximum of 2.6 million ounces of gold production commencing January 1, 1998 and is subject to a further cumulative maximum payout to Barrick of $30 million. No amounts have been paid during the year (and none in 1998) pursuant to the above-described right.

Omai Gold Mines Limited (Guyana)

In 1999, investments consisted mainly of the purchase of mining equipment and extraction costs of waste material in excess of the average waste to ore ratio applicable to the mine.

Investments in 1998 were mainly for the purchase of mining equipment and for the extraction costs of waste material in excess of the average waste to ore ratio. In December 1998, an agreement was signed with Golden Star Resources Limited to acquire a 100% interest in the Eagle Mountain property, in consideration of a $3.2 million interest-free loan to be repaid at the same rate as the preferred shares held by them are expected to be redeemed, and a royalty on any future commercial production from the property.

International

Investments made in 1999 amounted to $17.0 million compared to $21.6 million in 1998 and $46.1 million in 1997. For 1999, expenses were incurred mainly on the Cerro San Pedro project in Mexico and the Huamachuco project in Peru.

Financing Activities

In July 1998, the Company signed a new agreement with a banking syndicate for a Credit Facility of 750,000 ounces of gold or $250 million. Advances under the Credit Facility were denominated at the Company's option in gold loans at the Gold Base Rate or in dollar loans at the LIBOR rate, plus a premium in both cases.

The new facility consisted of a revolving credit of $250 million to be amortized over five years in seven semi-annual reductions beginning on June 30, 2000 and ending on June 30, 2003. The reduction schedule could be extended by one year at each anniversary date by mutual agreement between the Company and the banking syndicate.

Amounts outstanding under the Credit Facility bore interest at the Gold Base Rate for gold loans and at the LIBOR rate for dollar loans, plus a premium determined quarterly based on the Company's debt ratio. At December 31, 1998, the premium was 0.75% and the commitment fee on the unused portion of the facility was 0.25%. An amount of up to $86 million remained available at the end of 1998 under this facility.

The Credit Facility was unsecured except for the eventual proceeds from a foreign investment insurance policy that Cambior contracted with the Export Development Corporation (EDC) for its Omai mine located in Guyana. The policy covers the investment to a maximum of $100 million.

On December 22, 1999, in accordance with the restructuring of its gold hedging program, the Company entered into an amended and restated Credit Facility agreement with its Financial Creditors.

Under this amended and restated Credit Facility, the maximum credit available has been limited to the amount due at that date, or $212 million, and the possibility of conversion of the loan into a gold loan has been eliminated. As well, all of the loan obligations will mature on December 31, 2000. No additional loans are permitted under this agreement.

Interest on this loan was payable monthly at the LIBOR rate plus 0.75% or at the Base Rate until June 30, 2000, at the Company's option. Supplementary interest charges equal to 3.25% per year in the case of LIBOR or 2% per year for the Base Rate had been deferred until June 30, 2000, subject to compulsory early repayment should assets be sold or any additional capital be raised before this date. Commencing June 30, 2000, the additional interest has increased by 1% *per annum* in each month and is payable monthly until the loan maturity date of December 31, 2000.

Bonds secured by a hypothec for a maximum amount of CAN $600 million have been pledged as security for obligations under the Credit Facility, gold hedging and base metals commitments and foreign exchange contracts. This hypothec consists of a first-ranking fixed charge on the Doyon and Mouska mines, and a charge on all of the other assets of the Company for a maximum amount of CAN $700 million. Furthermore, the Company has agreed to restrictions on its capital expenditures and its hedging activities. It has also agreed not to borrow additional amounts from third parties or pay dividends and to use a substantial portion of the proceeds from any sale of assets or share offering to repay its obligation to its lenders.

In 1999, there was a variation of $48.2 million in the Credit Facility arising from additional drawdowns of $20.0 million in the early part of the year, a prepayment of $5.0 million and a loan of $33.2 million at the end of the year resulting from the restructuring of the Company's hedging program.

In 1998, the Company converted its gold loans into dollar loans pursuant to the conversion clause in the Credit Facility and realized gains and corresponding debt reductions of $17.8 million representing the difference between the price of the forward purchase contracts in place to convert the gold loans and their carrying amount at the conversion date. Similarly, gains and debt reductions of $39.6 million were realized in 1997. As the loans are part of the Company's gold hedging program, these gains are shown on the balance sheet as deferred gains. Amounts of $17.9 million in 1999, $13.0 million in 1998 and $6.9 million in 1997 were added to revenues and the balance of $19.7 million will be included in revenues over the next two years.

In February 1998, the Company issued 10.2 million common shares at CAN $7.50 ($5.17) per share for net proceeds of CAN $73.1 million ($50.4 million) net of CAN $3.4 million ($2.3 million) in issue costs. This public offering was used to pay the cash portion of the acquisition of the residual 50% interest in the Doyon mine.

Over the last three years, the Company has distributed annual dividends of $1.8 million in 1999, $3.5 million in 1998 and $6.3 million in 1997. A dividend of $0.025 per share was paid out in 1999 compared to $0.05 per share in 1998 and $0.10 per share previously. Under the terms of the amended and restated Credit Facility, no dividends will be paid in 2000.

Consolidated balance sheets

At December 31, 1999, the Company's total assets amounted to $521.7 million compared to $808.9 million at December 31, 1998. The decrease was primarily attributable to the $290.8 million asset writedown taken on December 31, 1999. Net property, plant and equipment therefore declined by $270.3 million to $456.6 million.

Cash decreased by $16.1 million, mainly in the fourth quarter, due to the restrictions imposed by our lenders on hedging operations and to related financial expenses.

Working capital excluding cash and the current portion of the long-term debt totalled $4.6 million compared to $20.3 million at December 31, 1998. This decrease is attributable to the increase in current liabilities resulting from the restructuring charge provision at December 31, 1999 and the $3.3 million decline in supplies inventory, partially offset by an increase of approximately $11.0 million in settlements receivable.

The long-term debt amounts to $214.4 million at the end of 1999, including the current portion of $212.6 million resulting from the December 31, 2000 loan maturity date provided for in the amended and restated Credit Facility agreement signed on December 22, 1999. A compulsory instalment totaling not less than $75.0 million, including restructuring fees, additional deferred interest costs and the amount of $8.0 million to be paid to the hedge counter-parties, as security for Cambior's obligations under the fixed forward contracts, was made on June 30, 2000.

Deferred revenues of $21.8 million at December 31, 1999 corresponds to unamortized realized gains resulting from the conversion of gold loans into dollar loans in preceding years and the buyback of exchange contracts before their expiry date. The $15.8 million decrease is mainly due to the year's depreciation. Given the large writedown of assets, the tax value of property, plant and equipment exceeds their carrying value, and the deferred mining taxes item that appeared on the December 31, 1998 balance sheet was reversed in 1999.

The $330.4 million decrease in shareholders' equity resulted from the $358.0 million loss for the year and the payment of $1.7 million in dividends, less the $29.3 million increase in cumulative translation adjustment generated by the strengthening Canadian dollar and the reduction in the net investment in the Canadian operations.

Generally Accepted Accounting Principles in the United States ("U.S. GAAP")

The consolidated financial statements prepared in accordance with Canadian GAAP differ in certain material respects from those had the Company's consolidated financial statements been prepared in accordance with U.S. GAAP. For a complete discussion of this matter, **see Note 16 to the consolidated financial statements presented under Item 17 of this Form 20-F.**

In 1999, the Company restated its prior year figures for U.S. GAAP purposes for the following items:

a) Exploration Stage projects

Following consultations with the staff of the SEC in August 2000, the Company reviewed the classification of all of its mining projects in accordance with SEC guidelines. Four projects that were improperly considered as development stage for U.S. GAAP purposes were reclassified as exploration stage projects, namely the Gross Rosebel project in Suriname, the Yaou-Dorlin project in French Guiana, the Huamachuco project in Peru and the Metates project in Mexico. SEC Guidelines require that costs related to exploration stage properties be expensed. The prior years' figures have been restated to properly account for such costs. Accordingly, the Company decreased its net loss for U.S. GAAP purposes by $19.7 million in 1999 and $7.8 million in 1998 and increased its net loss by $12.0 million in 1997. Retained earnings as at January 1, 1997 decreased by $33.0 million.

b) Unrealized gain (loss) on options

In the years prior to 1999, the Company improperly accounted for, under U.S. GAAP, purchase options sold. Under U.S. GAAP, purchase options sold are accounted for at the estimated market value and the corresponding increase or decrease in value is charged to earnings whereas the Company had accounted for the options using hedge accounting. The prior years' figures have been restated and as a result, the Company increased its net loss by $2.3 million in 1998 and $4.4 million in 1997, net of income taxes. Retained earnings as at January 1, 1997 decreased by $5.3 million, net of income taxes.

Revenue Protection Program – Gold Sales

The selling price of gold production is a key variable in the Company's financial performance. Gold trades on world markets, and its price is affected by numerous factors beyond the Company's control. As a result of the sudden rise in the gold price at the end of September 1999, and the resulting effects on the Company's hedging position, it became necessary for the Company to renegotiate its short-term gold delivery obligations and restructure its hedging position.

The definitive restructuring agreement dated December 22, 1999 provided for, among other items:

- the rescheduling of short-term delivery commitments under call options and spot-deferred contracts into new fixed forward contract positions extending over three years;

- the maintenance of the variable-volume forward sales agreements; and

- the maintenance of the balance of call option commitments maturing between 2000 through 2002.

At December 31, 1999, the Company had minimum delivery obligations of 1,552,000 ounces of gold at an average price of $320 per ounce, including 407,000 ounces at a minimum price of $345 per ounce to cover forecast 2000 gold production and including the amortization of the deferred gain of $35 per ounce from the earlier conversion of gold loans. In addition, the Company's commitments include 784,000 call options sold at an average price of $349 per ounce including 100,000 at a price of $340 per ounce for 2000 and the variable quantity under the variable volume forward sales agreement of 1,178,000 ounces at an average price of $345 per ounce. As it is not possible, according to the current hedging facilities available to the Company, to convert the call options into spot deferred contracts, the Company has gold sales commitments for 2000 through 2002 that may exceed its forecast gold production by approximately 700,000 ounces. The mark-to-market of its gold sales commitments at December 31, 1999 was negative $55.4 million, of which $8.0 million, representing the market value of the potential excess commitment over forecast production, was charged to earnings in 1999. This mark-to-market was determined based on a gold price of $290.25 per ounce.

None of the hedging contracts entered into by Cambior includes provisions regarding margin requirements.

Events Subsequent to Year-End 1999

During 2000 and the early part of 2001, the Company focussed all of its efforts on reducing its level of indebtedness in order to be in a position to refinance its remaining debt and to stabilize the Company's long-term financial situation. To this end, the Company was successful in raising sufficient funds through the sale of various assets and the realization of two private placements and mortgage loans in order to refinance its remaining debt obligations. Each of the transactions completed in 2000 and in early 2001, including the entering into of a revised $65 million Credit Facility and a $55 million prepaid gold forward sale agreement are fully described in **Note 15 to the attached Consolidated Financial Statements** and in **subsections 1.3.2.3 to 1.3.2.13 of Item 1 of this Form 20-F**.

Reserves

Cambior's gold and base metal reserves at December 31, 1999 are shown **in section 1.4.2 of this Form 20-F**. To establish the 1999 and 1998 year-end reserves, the Company used a long-term gold price of $325 per ounce. The base metal price assumptions were maintained, using a long-term price of $0.55/lb for zinc and $1.00/lb for copper. Furthermore, for the Canadian operations, a long-term exchange rate of $1.45 was used.

Proven and probable reserves for the gold operations and projects at January 1, 2000 was 5.4 million ounces compared to 5.2 million ounces at the beginning of 1999. A sensitivity analysis using a gold price of $300 per ounce indicates that reserves are 5 million ounces or an 8% reduction. The impact of a $300 gold price on the Doyon Division is in the order of a 6% reduction, while the impact on the Omai mine is in the order of a 13% decrease.

Proven and probable reserves at the Doyon mine, net of 243,000 ounces produced in 1999, total 2.2 million ounces of gold compared to 2.6 million at the end of 1998. This reduction is caused by a revision in the mining plan and more conservative extraction parameters in certain sectors, in particular the pillars located in the upper portion of the mine. The Omai mine reserves total 1.6 million ounces net of 306,000 ounces produced in 1999, compared to 1.9 million ounces at the beginning of the year.

The reserves of all other producing mines decreased compared to 1998, consistent with 1999 gold and base metal production.

Environment

Cambior's mining and exploration activities are subject to various laws and regulations regarding environmental protection. These laws are constantly evolving and generally tend to impose increasing restrictions.

The Company has already incurred, and expects to incur in the future, costs with a view to ensuring compliance with these laws and regulations. Ongoing site reclamation costs are charged to earnings in the period they are incurred. The Company has estimated closure costs, including site reclamation; these costs are charged against earnings over the expected operating lives of the mines. These provisions may be revised on the basis of changes to the laws and regulations and the availability of new information.

In 1999, the adaptation of the environmental management systems at the Doyon and Omai mines continued. The Company aims to obtain ISO 14001 certification for these mines in 2000. All of the Company's other Canadian mining operations maintained their ISO certification received in 1998.

Year 2000

The Year 2000 transition was made without any disruptions in production, power supply or materials supply to the Company's various production units. While it is impossible to presume that all aspects of the Year 2000 Issue have been entirely resolved, no incidents occurred, nor are any anticipated that might have a significant impact on the Company's earnings and cash flow in 2000.

Human Resources

The collective agreements for the Omai and Doyon mines were renewed in 1999 for periods of four and two years, respectively. The Sleeping Giant agreement was signed in the spring of 2000 for a three-year period.

The Company maintains satisfactory relations with its employees.

Expiry dates of the collective agreements

Omai[(1)] - Hourly employees	February 28, 2003
Doyon - Hourly employees	November 30, 2000
Sleeping Giant - Hourly employees	July 31, 2002
Niobec[(2)] - Hourly employees	April 30, 2001

(1) *The Omai mine is owned by Omai Gold Mines Limited, a subsidiary of Cambior.*
(2) *Teck Corporation, co-owner of the Niobec mine with Cambior, is the mine operator.*

Employees at Cambior's other mines and development projects are not unionized.

The Company has instituted a new work safety management program in an effort to improve its employee health and safety record. A reduction in accident severity was observed in 1999. However, the number of lost-time accidents remains high, and Cambior endeavoured to continue its efforts during 2000. Cambior also reported one fatality at the Mouska mine during 1999.

Outlook

Certain statements of this analysis constitute forward-looking statements, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of the Company, or of its industry, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and assumptions include, among others, those described above **under subsection 1.4.5.7 of Item 1**. The consolidated financial statements, related notes and supplementary financial information form an integral part of this analysis and should be read in conjunction with this analysis.

One of the Company's principal objectives remains the reduction of its indebtedness through the sale of base metal assets. While efforts are being dedicated to this objective, there can be no assurance that these efforts will be successful. In any event, it is Cambior's current intention to focus on gold mining, having retained all of its core gold assets, and to develop its gold properties to the greater benefit of its shareholders.

In this context, the Company has presented its base metal operations as discontinued operations since the first quarter of 2000. At December 31, 1999, the net book value for the property, plant and equipment related to the base metal sector intended for sale was $107.4 million, or 24% of the total of property, plant and equipment appearing on the consolidated balance sheet.

In order to maintain an acceptable level of liquidity and to conserve cash to respond to unexpected events, the Company has significantly reduced its exploration expenses, administrative expenses and capital expenditures for 2000. Capital expenditures will be restricted to the maintenance of current mining operations. In addition, the Company is focused on keeping production costs as low as possible, mainly at the Doyon and Omai mines. The Company must restructure its financial position before considering any new development projects.

For 2000, the Company targets production of 600,000 ounces of gold and 1,176 tonnes of niobium.

Item 9A. Quantitative and Qualitative Disclosures About Market Risk

Gold delivery commitments and gold price risk

The definitive restructuring agreement dated December 22, 1999 between Cambior, its lenders and hedge counterparties provided for, among other items:

- the rescheduling of short-term gold delivery commitments under call options and spot-deferred contracts into new fixed forward contract positions extending over three years;
- the maintenance of the variable-volume forward sales agreements; and
- the maintenance of the balance of call option commitments maturing between 2000 through 2002.

More detailed information regarding the restructuring of the Company's loan repayment and gold delivery obligations is provided **in section 1.3.2.3 of Item 1 of this Form 20-F**.

Based on the above referenced restructuring agreement, the Company's gold sales commitments as at December 31, 1999 were as follows:

(Sales Volumes in thousands of ounces of gold and average prices in U.S.$/ounce)	2000	2001	2002	2003	2004	2005	2006	2007	Total
Forward sales (i)									
Fixed Forwards	317	240	205	-	-	-	-	-	762
Average price (iv)	301	291	291	-	-	-	-	-	295
Variable volume forwards - Nominal quality (vii)	112	192	102	102	102	102	112	160	984
Average price (v)	340	340	340	340	340	340	357	357	344
Call options sold (ii)(vii)									
Number of ounces	100	382	302	-	-	-	-	-	784
Average price (vi)	340	352	348	-	-	-	-	-	349

(i) Forward sales are defined as follows.

(a) Spot deferred contracts: a forward sale of a specified quantity of gold which accrues contango until the intended delivery date of the contract. The rate at which contango accrues is determined by U.S. dollar interest rates less gold lease rates existing at the time of each rollover. The contract price applicable to the position is based on the spot price at the time the spot deferred position was originally taken.

(b) Fixed forward contracts: a forward contract where the quantity of gold to be delivered and the U.S. dollar interest rate and gold lease rate of the contract are fixed to the maturity of the contract.

(c) Variable volume forward contracts: a forward contract as to which the price and delivery date are generally fixed in the same manner as a fixed forward contract. The quantity of gold to be delivered will vary according to the market price of gold on certain agreed reference rates.

(ii) Options are defined as follows:

(a) Put option: acquisition by the Company, of the right, but not the obligation, to sell a specified amount of gold at a future date ("European put option") to the counter-party on and at an agreed price.

(b) Call option: sale to a counter-party, by the Company, of the right (without any obligation of the counter-party to exercise that right) to purchase a specified amount of gold from the Company at a future date and at an agreed price.

(iii) Gold loans are defined as follows:

Gold loan: the borrowing of gold by the Company and the sale of the gold into the market at the time of borrowing at the spot price or at the price set through the use of a previously established hedge (the "Monetization Price"). The borrowed gold is then repaid in gold from production over time according to an agreed repayment schedule.

(iv) The fixed forward sales expiring on a monthly basis for the period from June 2000 to December 2002 (567,000 ounces) take into account that the hedge counter-parties and the Company have agreed that $8 million from the net proceeds of the expected sale of assets would be paid to the hedge counter-parties, on a priority basis, as security for Cambior's obligations under the fixed forward contracts. This payment would also result in an increase in the average selling price under the fixed forward contracts from $277 per ounce to $291 per ounce .

(v) The nominal quantities for variable volume forward contracts were established on the basis of a specific gold price ($300/ounce for the 2000, 2001, 2006 and 2007 contracts and $270/ounce for the 2002 to 2005 contracts) as at the test date. The quantities to be delivered could range from 80% of the nominal quantity (if the gold spot price at the test date is $270/ounce or less for the 2000, 2001, 2006 and 2007 contracts and $243/ounce or less for the 2002 to 2005 contracts) to 200% of the nominal quantity (if the gold spot price at the test date is $450/ounce or more for the 2000, 2001, 2006 and 2007 contracts and $405/ounce or more for the 2002 to 2005 contracts).

(vi) The call options expire over a two year period, from December 2000 to December 2002. They have a strike price ranging from $340 to $400 per ounce for an average price of $349 per ounce. The Company's contingent delivery obligations under such contracts will only take effect if the gold price is above the strike price of the relevant contract at its maturity date.

(vii) Certain call options sold (647,000 ounces) and the variable volume forward positions (984,000 ounces) include a swap of the gold lease rate (*i.e.* cost of borrowing gold), for the duration of the contracts. Pursuant to the swap agreements, the Company pays the floating rate and the counterparties pay a fixed rate of 1.5 % to 1.75% *per annum.* The gold lease rate is defined as the spread between the LIBOR rate and the gold forward rate (or "Contango")

During the second quarter of 2000, the Company restructured its variable volume forward contracts with a delivery date beyond December 2001 by reducing the maximum commitment of gold from 200% to 150% of the nominal quantity. This restructuring has reduced the Company's total commitments by 355,000 ounces for the years 2002 to 2007 and the fixed rate allowance to be received by Cambior under the lease rate swap has been reduced from 1.50% to 1.25%. During the first six months of 2000, the Company also reduced its fixed forward sales position by delivering gold against the forward contracts.

As at June 30, 2000, the Company held the following gold sales commitments :

(Sales Volumes in thousands of ounces of gold and average prices in U.S.$/ounce)	2000 (6 months)	2001	2002	2003	2004	2005	2006	2007	Total
Forward sales									
Fixed forwards	58	240	205	-	-	-	9	-	512
Average price	292	292	292	-	-	-	346	-	292
Variable volume forwards - Nominal quality	96	192	117	117	117	117	107	95	958
Average price[i]	340	340	330	334	338	342	346	350	340
Call options sold									
Number of ounces	100	382	302	-	-	-	-	-	784

Average price	340	352	348	-	-	-	-	-	349

(i) The variable volume forward position is for a nominal quantity of 958,000 ounces, maturing at fixed delivery dates from July 2000 to October 2007. This position consists of 288,000 ounces at $340/oz maturing between July 2000 and December 2001 and 670,000 ounces at a price ranging from $330/oz to $350/oz maturing between January 2002 and October 2007. The delivery dates and strike prices are fixed, but the quantity to be delivered during any specific month may vary from a minimum of 80% (if the gold spot price at the test date is $270/ounce or less for the 2000 and 2001 contracts and $276/ounce or less for the 2002 to 2007 contracts) up to a maximum of 200% of the nominal quantity for the years 2000 and 2001 (if the gold spot price at the test date is $450/ounce or more) and up to a maximum of 150% of the nominal quantity for the years 2002 to 2007 (if the gold spot price at the test date is $360/ounce or more) based on the gold spot price of $300/oz. Monthly test dates are set between July 2000 and May 2004. More specifically, the spot price on each monthly test date during 2000 will set the quantity hedged for the current month and the same month in 2006. The spot price on any monthly test date during 2001 will set the quantity hedged for the current month as well as the same month in 2007. The spot price on any monthly test date during 2002 to May 2004 will set the quantity hedged for the current month as well as the corresponding month from January 2004 to May 2006.

The Company's gold sales commitments include a number of instruments which will expire or be exercised depending on the evolution of the spot price of gold over time.

The following table provides a sensitivity analysis of the number of ounces of gold to be delivered into the hedge program together with the average price to be realized relative to those ounces, under various spot price scenarios and based on the Company's gold sales commitments as at June 30, 2000.

	2000 (6 mos.)	2001	2002	2003	2004	2005	2006	2007	Total
ASSUMED GOLD SPOT PRICE: $275									
Fixed forwards - ozs	58	240	205	-	-	-	9	-	512
Average price	292	292	292	-	-	-	346	-	293
Variable volume forwards - ozs	80	160	94	94	94	94	86	76	776
Average price	340	340	330	334	338	342	346	350	340
Call options - ozs	-	-	-	-	-	-	-	-	-
Average price	-	-	-	-	-	-	-	-	-
Total ounces to be delivered	138	400	299	94	94	94	95	76	1.288
Average price	320	311	304	334	338	342	346	350	321
Deferred gain (1)	50	14	-	-	-	-	-	-	10
Total realizable price	370	325	304	334	338	342	346	350	331
ASSUMED GOLD SPOT PRICE: $300									
Fixed forwards - ozs	58	240	205	-	-	-	9	-	512
Average price	292	292	292	-	-	-	346	-	293
Variable volume forwards - ozs	96	192	117	117	117	117	107	95	958
Average price	340	340	330	334	338	342	346	350	340
Call options - ozs	-	-	-	-	-	-	-	-	-
Average price	-	-	-	-	-	-	-	-	-
Total ounces to be delivered	154	432	322	117	117	117	116	95	1.47
Average price	322	313	306	334	338	342	346	350	323
Deferred gain (1)	45	13	-	-	-	-	-	-	9
Total realizable price	367	326	306	334	338	342	346	350	332
ASSUMED GOLD SPOT PRICE: $325									
Fixed forwards - ozs	58	240	205	-	-	-	9	-	512
Average price	292	292	292	-	-	-	346	-	293
Variable volume forwards - ozs	112	224	141	141	141	141	129	115	1.146
Average price	340	340	330	334	338	342	346	350	340
Call options - ozs	-	-	-	-	-	-	-	-	-
Average price	-	-	-	-	-	-	-	-	-
Total ounces to be delivered	170	464	346	141	141	141	138	115	1.658
Average price	324	315	308	334	338	342	346	350	325
Deferred gain (1)	41	12	-	-	-	-	-	-	8
Total realizable price	364	327	308	334	338	342	346	350	333
ASSUMED GOLD SPOT PRICE: $350									
Fixed forwards - ozs	58	240	205	-	-	-	9	-	512
Average price	292	292	292	-	-	-	346	-	293
Variable volume forwards - ozs	128	256	166	166	166	166	152	135	1.333
Average price	340	340	330	334	338	342	346	350	340
Call options - ozs	100	275	119	-	-	-	-	-	494
Average price	340	345	340	-	-	-	-	-	343
Total ounces to be delivered	286	771	490	166	166	166	161	135	2.339
Average price	330	327	317	334	338	342	346	350	330
Deferred gain (1)	24	7	-	-	-	-	-	-	5
Total realizable price	354	334	317	334	338	342	346	350	336

(1) Gains were realized by the conversion of the gold loans into dollar loans during 1997 and 1998. The balance of $12.7 million will be included in earnings as follows : $7.1 million for the second half of 2000 and $5.6 million in 2001.

The above table highlights the following elements :

- under gold spot price scenarios of $325 and below, it is anticipated that Cambior will be able to meet all of its gold delivery obligations;
- under a gold spot price scenario of $350, Cambior has excess delivery commitments in 2000 and 2001. In 2000, all of the call options mature on December 15;
- under all gold spot price scenarios, the expected average realized price of the hedge book ranges between $331 and $336.

Based on the 2000 production estimates for the last 6 months of the year, the following table provides a sensitivity analysis of Cambior's total realizable gold price based on various spot prices:

	at $275	***at $300***	***at $325***	***at $350***
Total ounces to be delivered against hedge contracts	138	154	170	286
Average price	320	322	324	330
Approximate unhedged ounces	162	146	130	14
Average price of unhedged ounces	275	300	325	350
Expected production (last 6 months of 2000)	300	300	300	300
Average price	296	311	324	331
Deferred gain	23	23	23	23
Total realizable price	319	334	347	354

In addition to the above commitments, the Company, as part of its acquisition of the remaining 50% of the undivided interest in the Doyon Mine on January 1st, 1998, granted to Barrick a participation right in future revenue from the Doyon mine (**reference is made to subsection 1.4.3.1 above**). Barrick is entitled to receive an annual cash payment equal to 24.75% of any excess of the average market price for a troy ounce of gold over $375, multiplied by the number of gold ounces produced by the Doyon mine during the year in question. This right relates to a maximum cumulative production of 2,600,000 ounces of gold beginning on January 1, 1998, subject to a maximum cumulative payment of $30,000,000. No payments were made pursuant to this right in 1999 and 1998.

Cambior completed its financial restructuring by finalising terms and conditions to a revised credit facility. **See the discussion on asset sales under subsections 1.3.2.6, 1.3.2.9. and 1.3.2.11 above and the discussion on the obtaining of a revised credit facility under subsection 1.3.2.13 above for more detailed information regarding the terms of such financial**

restructuring. As part of this discussion, the Company is addressing the issue of potential excess gold commitments in 2000, 2001 and 2002 and a number of alternatives are being considered to reduce such excess. In parallel to this process, the Company is reviewing its Gold Hedging Policy to ensure that future gold sales commitments will not exceed, at any time, the Company's ability to deliver gold.

Gold Hedging Policy

The Company's Gold Hedging Policy is amended from time to time to accommodate changes to Cambior's production and reserve profile and the availability of new hedging instruments. The Policy, which includes hedge limits, is reviewed regularly to ensure its continued appropriateness to the Company's circumstances and gold market conditions. Changes to this Policy are proposed by senior management and approved by the board of directors. Reports on Cambior's gold hedging activities and hedging position are provided to the audit committee and board of directors not less frequently than quarterly. Senior management of the Company has the authority to implement trades.

The Company has recently reviewed its gold hedging policy to attempt to ensure that future gold sales commitments will not exceed, at any time, the Company's ability to deliver gold. In the past, the Company had entered into various derivative transactions that included forward contracts (fixed, spot deferred and variable volume), option contracts (puts and calls) and gold loans with the objective of providing a minimum price for future production. In the future, Cambior intends to limit its hedging activities to the use of forward contracts and gold loans.

Derivatives which do not meet the hedge criteria at inception or cease to meet the hedge criteria at any later date, are accounted for on a mark-to-market basis and the associated gains or losses are recognized as revenue in the current period.

Based on the facilities in place in 2000, the Company could not convert the call options sold, if and when exercised, into forward contracts. As a result, the majority of the call options sold ceased to meet the hedge criteria as at December 31, 1999 and the Company recognized in its 1999 results an amount of $8,026,000 representing the estimated mark-to-market of the possible excess in commitments sold over the expected gold production. For U.S. GAAP purposes, call options sold and the variable volume forward sales are accounted for at the estimated market value.

Fluctuations in gold lease rates can also affect earnings and cash flows. The following tables provide an analysis as at June 30, 2000, of the potential impact of the variation of the gold lease rates based on the Company's lease rate swap agreements. The 3-month gold lease rate was 1.46% and 0.83% as at December 31, 1999 and June 30, 2000, respectively. It must be noted that the actual impact may differ significantly from the results presented below as time elapses. Under the lease rate swap agreements related to the call options, the Company and/or its counterparty must settle in U.S. dollars at each rollover date whereas the settlement under the lease rate swaps related to the variable volume forward positions is to be in-kind. Under the variable volume forward swap agreements, the interest is capitalized and subsequently amortized monthly on the basis of the nominal quantity of forward contracts.

a) For the 12-month period ending June 30, 2001:

Floating rate or market rate	Company receives (pays) Re: Options sold [1][2] (000$)	Company receives (pays) Re: Variable [3] Volume Forwards (ozs)
0.50%	2,268	277
1.00%	1,253	93
1.25%	745	-
1.50%	237	(93)
1.75%	(271)	(186)
2.00%	(778)	(278)
3.00%	(2,809)	(650)

b) For the duration of the swap agreements, including the next 12 months :

Floating rate or market rate	Company receives (pays) Re: Options sold [1][2] (000$)	Company receives (pays) Re: Variable [3] Volume Forwards (ozs)
0.50%	4,821	22,587
1.00%	2,711	7,620
1.25%	1,656	-
1.50%	601	(7,713)
1.75%	(453)	(15,520)
2.00%	(1,508)	(23,422)
3.00%	(5,728)	(56,008)

(1) The counterparties settle at each interest renewal date for the difference between the fixed and floating amounts on the portion of the swap agreements representing 403,000 ounces. The interest is calculated by applying a conversion price to the quantity of calls covered by the swap agreements and by applying to this result the difference between the fixed and floating rates. The conversion price is the price at which the payments under the swap is converted into U.S. $ amounts.

(2) The counterparties settle at maturity for the difference between the fixed and floating amounts on the portion of the swap agreements representing 244,000 ounces. The floating amount payable by Cambior is converted in U.S. $ based on the conversion price and is compounded at the applicable LIBOR rate until the maturity of the swap.

(3) The swap is on the nominal quantity of gold hedged under the Variable Volume Forward position and will not change even if the actual quantity hedged changes due to fluctuations in the spot gold price. The net amount payable in gold under the swap (*i.e.*, the difference between the fixed payment at 1.25% and the actual floating rate) is calculated at each interest renewal date; such amount accrues and is compounded at the applicable gold lease rate. The swap amortizes according to the delivery schedule of the underlying forward contracts. At each delivery date under the Variable Volume Forward position, a settlement of a portion of the amount accrued under the swap is made based on an amortization factor equivalent to the ratio of the nominal ounces to be delivered over the total nominal quantity of forward contracts.

Base metal price risk management activities

In the past, the Company entered into derivative transactions to protect itself against the impact of falling zinc and copper prices.

Following the announcement of the sale of its two (2) operating base metal mines in March 2000, the Company accounted for a substantial portion of the fair value of the base metal hedge contracts in the calculation of the net realized value of the related assets as at December 31,1999. All contractual rights under the base metal hedging agreements were transferred to the purchaser of the assets upon the closing of the transaction in May 2000.

Foreign exchange price risk protection agreements

The Company enters into foreign exchange contracts whereby it commits to deliver U.S. dollars in exchange for Canadian dollars. Because most of the Company's revenues are derived in U.S. funds and expenditures incurred by the Company for its Canadian operations are denominated in Canadian dollars, the Company enters into such contracts to protect itself in the event of a strengthening Canadian currency. Proceeds from these contracts are recognized in revenues at maturity. When foreign exchange contracts are repurchased before their due date, the gain or loss is recognized as a deferred gain or charge. This gain or charge is included in revenues at the expected maturity.

The Company is committed as at December 31, 1999 through foreign exchange contracts to deliver U.S. currency as follows:

	Amount (U.S.$)	Average exchange rate (in CAN $)
Fixed		
2000	109,500	1.439
Spot deferred [(i)]		
2000	109,739	1.4505
TOTAL	219,239	1.4445

(i) Spot deferred foreign exchange contracts have a delivery date that may be deferred up to June 2003, at the Company's discretion, and their value varies based on time and interest rates.

As at June 30, 2000, the Company is committed to deliver U.S. currency as follows:

	Amount (U.S.$)	Average exchange rate (in CAN $)
Fixed		
2000	31,903	1.4341
Spot deferred		
2000	113,376	1.4435
TOTAL	145,279	1.4415

The Company's current foreign exchange contracts will cover the Company's requirements for Canadian dollars until 2002. The Company will become exposed to variations in the Canadian currency upon the maturity of these agreements in the second half of 2002.

Interest rate risk

Fluctuation in interest rates can affect the Company's earnings and cash flows because the Company's Credit Facility agreement and cash balances are subject to variable interest rates. A change of 100 basis points in interest rates would have approximately a $1.5 million after-tax impact on earnings and cash flows based on the Company's financial position at June 30, 2000.

Credit risk

Realization of all derivative contracts is dependent upon the counterparties performing in accordance with the terms of the contracts and upon the maintenance of a liquid market. The Company does not anticipate non-performance by any counterparties. The Company does business predominantly with internationally recognized counterparties and believes that no concentration of credit risk exists.

Fair value

The estimated fair values of financial instruments are determined at discrete points in time based on relevant market information. These estimates involve uncertainties and cannot be determined with precision. The estimated fair values of Cambior's financial instruments at June 30, 2000, December 31, 1999 and December 31, 1998 are as follows:

(In thousands of U.S. dollars)	June 30, 2000 Carrying amount	June 30, 2000 Fair value	December 31, 1999 Carrying amount	December 31, 1999 Fair value	December 31, 1998 Carrying amount	December 31, 1998 Fair value
Cash and cash equivalents [1]	12,555	12,555	5,931	5,931	22,018	22,018
Trade and other receivables	13,386	13,386	33,675	33,675	25,511	25,511
Long-term debt [2]	164,628	164,628	214,373	214,373	166,467	166,467
Trade and other payables	21,532	21,532	45,162	31,166	33,911	33,911
		Fair value		Fair value		Fair value
Total Gold sales agreements [2][3][4]		(31,834)		(55,448)		12,245
Marked-to-market in accounts		6,493		8,026		-
Hedge portion of mark-to-market		(25,341)		(47,422)		12,245
Foreign exchange contracts [3]		(3,439)		(417)		(33,514)

(1) The carrying amounts approximate fair value because of the short-term maturity of these instruments.

(2) The fair value is calculated based on market prices, volatilities and interest rates, as at June 30, 2000, December 31, 1999 and December 31, 1998. The fair values provided are indicative values based on mid-market levels on the date so indicated.

(3) Includes forwards, options and gold lease rate swaps.

(4) Excluding the deferred hedging gains.

A sensitivity analysis of the fair value of the hedge book at December 31, 1999 indicates the following:

Sensitivity analysis	**Spot price**	**10% Increase**	**Fair value [1]**	**10% Decrease**	**Fair value [1]**
Currency (C$/U.S.$)	1.453	1.599	(16,916)	1.308	19,747
Gold Price (U.S.$/oz)	290	319	(123,430)	261	5,922

(1) Thousands of U.S. dollars

A sensitivity analysis of the fair value of the hedge book at June 30, 2000 indicates the following:

Sensitivity analysis	**Spot price**	**10% Increase**	**Fair value [1]**	**10% Decrease**	**Fair value [1]**
Currency (C$/U.S.$)	1.479	1.627	(16,333)	1.331	12,322
Gold Price (U.S.$/oz)	288	318	(83,220)	259	19,534

(1) Thousands of U.S. dollars

Item 10. Directors and Officers of the Registrant.

Directors and Senior Management

The list of Cambior's directors as at the date hereof is as follows:

Name	Position	Director Since
GUY G. DUFRESNE (1)(2)(3)	Chairman of the Board	1995
LOUIS P. GIGNAC (1)(4)	President, Chief Executive Officer and Director	1986
ALEXANDER G. BALOGH (1)(3)	Director	1997
MICHEL DESBIENS (2)(4)	Director	1997
GRAHAM FARQUHARSON (3)(4)	Director	1993
ALAN Z. GOLDEN (1)(3)(4)	Director	1986
MICHEL GAUCHER (2)	Director	1988
JOHN W.W. HICK (2)	Director	2000
DAVID V. MOSHER (1)(3)	Director	2000
ROBERT NORMAND (1)(2)	Director	2000
GORDON RITCHIE (3)	Director	1995

(1) Member of the Executive Committee.
(2) Member of the Audit Committee.
(3) Member of the Corporate Governance and Human Resources Committee.
(4) Member of the Environment and Occupational Health and Safety Committee.

Each director shall, unless he resigns or his office becomes vacant for any reason, hold office until the close of the next annual meeting of shareholders or until his successor is elected or appointed. Messrs. Hick, Mosher and Normand were proposed for election as directors by management of the Company, after being suggested as possible Directors by significant shareholders of the Company prior to the June 22, 2000 Annual General and Special Meeting of Shareholders.

The list of executive officers as at the date hereof is as follows:

Name	Position	Officer since
GUY G. DUFRESNE	Chairman of the Board of Directors	1998
LOUIS P. GIGNAC	President and Chief Executive Officer	1986
RÉJEAN GOURDE	Senior Vice President, Guiana Shield	1997
RAYNALD VÉZINA	Senior Vice President, Canada	1988
NORMAND E. BÉDARD	Vice President, Human Resources	1995
MARC DAGENAIS	Vice President, Legal Affairs and Corporate Secretary	1997
ALAIN KRUSHNISKY	Vice President, Control	2000
ROBERT MÉNARD	Vice President, Projects and Construction	1994
ANDRÉ LE BEL	Assistant - Corporate Secretary and Legal Counsel	2000

The occupation of Chairman of the Board of Directors is held by an outside and unrelated director. All of the above-mentioned officers have held their current positions or another management position with the Company or one of its affiliates during the last five years, with the following exceptions. Prior to July 1997, Mr. Marc Dagenais practised corporate and securities law with the firm of Lavery, de Billy.

Item 11. Compensation of Executive Officers and Directors.

Cash remuneration of Officers

The following table sets forth, for the fiscal year ended December 31, 1999, the aggregate cash remuneration paid by the Company and its subsidiaries to their officers as a group for services rendered in all capacities during such year :

Number	Amount
Officers : 21	Cash remuneration: $ 3,100,938.32

Compensation of Directors

In 1999, each outside director received an annual retainer of $12,000, of which amount $8,000 was paid in cash and $4,000 in common shares of the Company acquired on The Toronto Stock Exchange on the first (1st) trading day of the month of June, for and in the name of each director. This annual retainer was suspended on January 1, 2000 and is not currently in effect. Compensation also includes attendance fees of $1,100 for each Board meeting and $900 for each Committee meeting attended. For any Board or Committee meeting held via a telephone conference, the attendance fee is reduced by half. The chairman of the Board and the chairmen of each committee of the Board receive an additional amount of $2,000 annually. As of May 1, 1999, the additional annual amount paid to the Chairman of the Board was increased to $5,000. Travel and other expenses incurred by directors to attend Board and Committee meetings are also reimbursed. Full-time officers of the Company who serve as directors are not entitled to such compensation.

The Company's stock option plan, adopted at the Annual and Special General Meeting of Shareholders on May 2, 1990 and more fully described under the heading "Long Term Incentive Plan", allows the granting of stock options to the directors of the Company. However, in past years no outside directors had ever been granted stock options. After reviewing various studies published by independent compensation consultants to assess the outside directors' compensation policy compared to market practice and more specifically compared to a reference group consisting of medium and large Canadian mining companies, the Corporate Governance and Human Resources Committee of the Company adopted on March 15, 1999 an internal policy with regard to the granting of options to purchase shares for the benefit of outside directors, which reads as follows:

> *"That within the scope of the Stock Option Plan for key employees of Cambior Inc. and its subsidiaries (the "Stock Option Plan"), it is hereby determined i) that an initial grant of options covering 15,000 Common Shares be made to each of the current outside directors; ii) that an initial grant of options covering 15,000 Common Shares be made to each new outside director; and iii) that an annual grant of options covering 5,000 Common Shares be made to each outside director. The grant mentioned in i) shall be carried out simultaneously with the annual grant made in 1999 to the Company's key employees; the grant described in ii) shall be carried out at the time any new outside director takes office; and the grant described in iii) shall be carried out simultaneously with the annual grant made to the Company's key employees, as from and including the year 2000. Save and except in regard to the number of Common Shares to be covered by each of these stock option grants and to the time of granting of each of them, all provisions, conditions and obligations of the Stock Option Plan shall be implemented without restriction."*

At a meeting duly held on May 17, 2000, the Board of Directors of the Company resolved to suspend this above-described internal policy for the fiscal year 2000. This policy is not currently in effect and, as a result, no grant of options in favor of the members of the Board is planned for year 2000.

Compensation of Executive Officers

The following table presents, for the periods indicated, the compensation of the President and Chief Executive Officer and of the four (4) other most highly compensated executive officers of the Company for the fiscal year ended December 31, 1999 (the "Named Executive Officers"). All dollar amounts mentioned in the following table are in Canadian dollars.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation[3]	All Other Compensation
		Salary	Bonus [1]	Other Annual Compen-sation [2]	Securities Under Options Granted	
		(CAN $)	(CAN $)	(CAN $)	(no. of shares)	(CAN $)
Louis P. Gignac President and Chief Executive Officer	**1999**	397,692	0	0	120,000	0
	1998	370,000	186,630	0	125,000	0
	1997	366,423	73,550	2,538	72,000	0
Henry A. Roy [4] Senior Vice President, Finance and Administration and Chief Financial Officer	**1999**	254,134	0	0	65,000	0
	1998	235,000	108,570	0	65,000	0
	1997	233,211	46,675	0	35,000	0
Raynald Vézina Senior Vice President, Canada	**1999**	254,134	0	0	65,000	0
	1998	235,000	101,345	0	65,000	0
	1997	233,211	31,015	0	35,000	0
Réjean Gourde [5] Senior Vice President, Guiana Shield	**1999**	258,458	0	46,565	65,000	0
	1998	243,456	69,991	45,233	65,000	0
	1997	227,007	52,482	40,269	35,000	0
Robert Ménard Vice President, Projects and Construction	**1999**	208,615	30,677	0	40,000	0
	1998	197,000	86,402	0	50,000	0
	1997	195,569	63,212	0	25,000	0

(1) Bonuses are declared and paid in cash during the year following the year in which they were earned. The amounts shown are reported in the year earned.

(2) The amount shown for Mr. Gignac reflects imputed interest on an interest-free loan. The amount shown for Mr. Gourde reflects a housing allowance in accordance with mining industry standards . The allowance granted to Mr. Gourde reflects his agreement to work in a remote location isolated from his family, since April 1994. Named Executive Officers are entitled to the use of a Company-leased automobile, financial counselling and one health-sports club membership. The value of such perquisites is no greater than the lesser of 10% of the total annual compensation (base salary and bonus) and CAN $50,000.

(3) There are no long-term compensation programs other than the grant of options.

(4) Mr. Roy is no longer under the Company's employ, his employment having terminated as at March 31, 2000.

(5) Mr. Gourde's compensation is in U.S. dollars. All salaries are expressed in Canadian dollars and were converted according to the exchange rates applicable at the time they were allocated; all other amounts were converted at a rate of 1.3844 (1997), of 1.4835 (1998) and of 1.4858 (1999).

Retirement Benefits

Officers and senior management of the Company, specifically designated by the Board of Directors, participate in a non-contributory defined benefits registered pension plan. This pension plan is managed by a retirement committee composed of representatives of the Company and of the participants, and of an independent third party.

Pension benefits are calculated and accrued on the basis of 1.75% multiplied by years of pensionable service multiplied by the average of the highest three years base salary earned during the six years prior to retirement. The registered pension plan provides benefits up the limits prescribed by Revenue Canada. Normal retirement age is sixty-five. There is no reduction in the amounts paid under the plan to reflect the value of statutory retirement income benefits. Participants may choose to contribute to this registered pension plan and in return receive incidental benefits, subject to the maximum prescribed by Revenue Canada, which is established on an individual basis for each interested participant by the Company's actuaries.

Members of the senior management of the Company specifically designated by the Board of Directors, including the Named Executive Officers, participate in a supplementary executive retirement plan (the "SERP"). The intent of the SERP is to provide a pension that is equal to that which would otherwise be received if the registered pension plan reflected the full amount of base salary.

Benefits accrue under the combined terms of the registered pension plan and the SERP. The total pension payable under the terms of the registered pension plan and the SERP is limited to a maximum of 70% of pensionable earnings.

The registered pension plan is funded in accordance with applicable laws. The SERP is unfunded, but the Company retains the right to fund its obligations at any time. The Company is obliged to fund its obligations under the terms of the SERP when each participant reaches the age of 68, or immediately if there is a change of control of the Company.

PENSION PLANS TABLE

Remuneration (CAN $)	Years of Service				
	15	20	25	30	35
125,000	32,812	43,750	54,687	65,625	76,562
150,000	39,375	52,500	65,625	78,750	91,875
175,000	45,937	61,250	76 ,562	91,875	107,187
200,000	52,500	70,000	87,500	105,000	122,500
225,000	59,062	78,750	98,437	118,125	137,812
250,000	65,625	87,500	109,375	131,250	153,125
300,000	78,750	105,000	131,250	157,500	183,750
350,000	91,875	122,500	153,125	183,750	214,375
400,000	105,000	140,000	175,000	210,000	245,000
450,000	118,125	157,500	196,875	236,250	275,625

The normal form of pension is a benefit payable for life, with 60% continuing to the surviving spouse. Pension benefits may be taken in other forms subject to actuarial adjustment. As of December 31, 1999, complete years of service credited to each Named Executive Officer under the terms of the plans were:

	Years of Pensionable Service

	Registered Plan	SERP (1)
Louis P. Gignac	- 13 years and 7 months	17 years (2)
Henry A. Roy	- 5 years	10 years (3)
Raynald Vézina	- 11 years and 4 months	16 years and 4 months (3)
Réjean Gourde	- 12 years	9 years
Robert Ménard	- 5 years and 10 months	5 years and 10 months

(1) As of January 1st, 1996, all beneficiaries of the SERP are credited with one additional year of service per year until both plans reflect the same number of years of service.

(2) Furthermore, Mr. Louis P. Gignac has a special retirement income arrangement wherein, for each two years of service as of January 1, 1991, he is credited with three years of pensionable service in the SERP.

(3) Furthermore, Mr. Henry A. Roy and Mr. Raynald Vézina have special retirement income arrangements wherein, for each year of service since January 1, 1995, they are credited with an additional year of pensionable service in their SERP, subject to a maximum of five (5) additional years of service.

Annual Incentive Plan

The Company has generally provided annual incentive compensation to Named Executive Officers and managers under the terms of a Bonus Incentive Plan. This Plan provides for cash bonuses based on corporate, divisional and individual performance. Part of the annual incentive amount payable to each executive is based upon achievement of individual targets or objectives. Each performance measure is weighted relative to its significance to the operations governed by the individual manager, and threshold, target and superior levels of performance are defined. The balance of incentive compensation rewards other significant contributions or achievements that relate directly to the areas of operation for which the individual is responsible.

The size of any given award depends on performance related to previously stated objectives and upon documented evaluation by the Committee of the nature of such contributions and their impact upon corporate performance or the enhancement of its asset value. The Committee is committed to tying executive compensation to both individual performance and corporate results. Thus, in a given year, the Company's executive team members may be paid a higher or lower bonus than those of competitors, depending upon the degree to which objectives established at the beginning of each fiscal year have been attained or surpassed.

In 1999, the Board of Directors terminated the Bonus Incentive Plan for Cambior's senior officers. The Board indicated that any future bonuses to senior officers would, until further notice, be awarded on a case-by-case basis.

Long Term Incentive Plan

A long term incentive plan grants stock options to key employees, including Named Executive Officers, and directors of the Company. This component of compensation is intended to retain the services of valued employees and motivate them to take actions that enhance shareholder value. In addition to linking the interests of the executives to those of the shareholders, the plan also serves to bind the interests of executives to one another.

The Board of Directors, upon recommendation from the Committee, manages the stock option plan with full authority and considers option grants annually. The number of options granted each year is subject to recommendation by the President and Chief Executive Officer based on his assessment of the performance or contribution of each individual. The Committee also takes into consideration the number and term of options previously granted when making the decision to grant additional options. Options expire after seven (7) years and become exercisable immediately on the date granted for those granted before 1994, and in the proportion of 50% two (2) years after their granting and 50% three (3) years after their granting for all options granted since 1994 inclusively.

The maximum number of Common Shares that may be issued pursuant to the exercise of options shall not exceed, subject to any adjustments in the event of amendments to the share capital of the Company affecting said Common Shares, 5,500,000 Common Shares, or any greater number determined by the Board of Directors and approved by the majority of the holders of Common Shares present and voting in person or by proxy at a shareholders' meeting.

The subscription price for each share covered by an option shall be equal to the average of the closing prices of a Common Share of the Company on The Toronto Stock Exchange for the five (5) business-day period immediately preceding the option granting date.

Employment Agreements

The senior officers of the Company, including Named Executive Officers, benefit from certain protection in the event of a change of control of the Company. Upon termination of employment subsequent to a change of control and for any reason other than death or for cause, each Named Executive Officer shall be entitled to: a) a severance payment equal to a certain number of months of base salary and target bonus; b) the accelerated vesting of 100% of the stock options granted whether or not exercisable on such date; c) the immediate purchase of 100% of the shares acquired by the Company for the employee through the share purchase plan, but not yet available to the employee at such date; d) the credit of years of service for the purposes of the registered pension plan and of the supplemental pension plan for a period equal to the lesser of i) the period covered by the severance payment and ii) the period covered between the date of termination and the date of the normal retirement age (65 years); e) the maintenance of fringe benefits for the period set forth above in d), including life insurance but excluding short and long-term disability insurance; and f) certain other benefits of less importance. The severance payment of the President and Chief Executive Officer and of the other Named Executive Officers shall be equal to twenty-four (24) months of their base salary and target bonus. When calculating severance amounts, no period shall exceed the period covered between the date of termination of employment and the date of the normal retirement age (65 years).

In 1999, the Board terminated the bonus program for Cambior's senior officers. The Board has indicated that future bonuses will be awarded on a case-by-case basis. Such termination also reduces the amount that Cambior's senior officers would otherwise receive under the compensation agreements described in item (a) of the preceding paragraph inasmuch as the target bonus for such senior officers is currently nil.

Mr. Henry A. Roy is no longer under the Company's employ. Mr. Roy's employment was terminated as at March 31, 2000. The material terms relating to the termination of Mr. Roy's employment include a severance payment equal to twenty-one (21) months of his base salary, the maintenance of fringe benefits for the same period, and the maintenance of his stock options for a period of twenty-four (24) months. Furthermore, in the event of a change of control of the Company on or before September 30, 2000, the severance pay to which Mr. Roy would be entitled would be increased to twenty-four (24) months of his base salary and he would also be entitled to the other benefits applicable to such circumstances as described above.

Item 12. Options to Purchase Securities from Registrant or Subsidiaries.

Options granted in 1999 under the terms of the Long Term Incentive Plan are for Common Shares, have a term of seven years and become exercisable, as to 50%, two (2) years after the date granted and, as to the remaining 50%, three (3) years after the date granted. Reference is made to the disclosure under the heading "Long Term Incentive Plan" for the details of the Company's Stock Option Plan.

AS AT DECEMBER 31, 2000

C	Options granted outstanding:	3,548,700
C	Options granted to directors and officers of the Company as a group, outstanding :	1,757,000
C	Options available for future grants:	1,951,300
C	Options exercised during year 2000:	Nil

AS AT DECEMBER 31, 2000

C Options held by Named Executive Officers:

Name	Securities Under Option Granted (no. of shares)	Exercise Price (CAN$/security)	Expiration Date
Gignac, Louis P.	30,000	17.250	05-05-2001
Gignac, Louis P.	75,000	15.500	10-05-2002
Gignac, Louis P.	100,000	18.475	28-02-2003
Gignac, Louis P.	60,000	19.810	08-05-2003
Gignac, Louis P.	72,000	16.670	29-04-2004
Gignac, Louis P.	50,000	7.800	10-01-2005
Gignac, Louis P.	75,000	11.400	29-04-2005
Gignac, Louis P.	120,000	5.670	27-04-2006
Gignac, Louis P.	120,000	1.470	16-05-2007
Roy, Henry A.	20,000	14.500	30-03-2002
Roy, Henry A.	35,000	15.500	30-03-2002
Roy, Henry A.	35,000	19.810	30-03-2002
Roy, Henry A.	17,500	16.670	30-03-2002
Vézina, Raynald	18,000	17.250	05-05-2001
Vézina, Raynald	45,000	15.500	10-05-2002
Vézina, Raynald	35,000	19.810	08-05-2003
Vézina, Raynald	35,000	16.670	29-04-2004
Vézina, Raynald	30,000	7.800	10-01-2005
Vézina, Raynald	35,000	11.400	29-04-2005
Vézina, Raynald	65,000	5.670	27-04-2006
Vézina, Raynald	48,000	1.470	16-05-2007
Gourde, Réjean	7,000	17.250	05-05-2001
Gourde, Réjean	30,000	15.500	10-05-2002
Gourde, Réjean	30,000	19.810	08-05-2003
Gourde, Réjean	35,000	16.670	29-04-2004
Gourde, Réjean	30,000	7.800	10-01-2005
Gourde, Réjean	35,000	11.400	29-04-2005
Gourde, Réjean	65,000	5.670	27-04-2006
Gourde, Réjean	48,000	1.470	16-05-2007
Ménard, Robert	12,000	17.250	05-05-2001
Ménard, Robert	25,000	15.500	10-05-2002
Ménard, Robert	20,000	19.810	08-05-2003
Ménard, Robert	25,000	16.670	29-04-2004
Ménard, Robert	25,000	7.800	10-01-2005
Ménard, Robert	25,000	11.400	29-04-2005
Ménard, Robert	40,000	5.670	27-04-2006
Ménard, Robert	36,000	1.470	16-05-2007

The market value of a Common Share of the Company was CAN $1.82 on the TSE at December 31, 1999 and CAN $ 0.47 at the close of business on December 31, 2000.

Item 13. Interest of Management in Certain Transactions.

TABLE OF INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS OTHER THAN UNDER SECURITIES PURCHASE PROGRAMS

As at May 10, 2000, there was no indebtedness, excluding routine indebtedness, owing to the Company or its subsidiaries by any current or former director, officer or employee of the Company or any of its subsidiaries other than the loans disclosed in the following table, both of which were made to assist the officers in relocating:

Name and Principal Position	Involvement of Issuer or Subsidiary	Largest Amount Outstanding During Last Completed Financial Year (CAN $)	Amount Outstanding as at May 10, 2000 (CAN $)
Robert Ménard Vice President, Projects and Construction	Lender	106,400	53,200
Gérald Veillette Vice President, United States and Mexico	Lender	US $35,000	US $35,000 (1)

(1) The loan to Mr. Veillette is repayable to the Company within a period not exceeding 24 months following the signing of his employment termination contract on May 31, 2000 and in accordance with the terms and conditions of such agreement; the amount outstanding as at the date hereof is U.S. $19,000.

The loan to Mr. Ménard is evidenced by a promissory note repayable to the Company in periodic instalments with the balance becoming due on February 28, 2002. No interest is charged on these loans; the value of this benefit, in the case of Mr. Ménard, is included under the heading “Other Annual Compensation” in the Summary Compensation Table.

PART II

Item 14. Description of Securities to be Registered.

Not applicable

PART III

Item 15. Defaults Upon Senior Securities.

Not applicable

Item 16. Changes in Securities, Changes in Security for Registered Securities and Use of Proceeds.

Not applicable

PART IV

Item 17. Financial Statements.

See the following 54 pages. The Index to the Financial Statements appears on the next page.

CAMBIOR INC.

CONSOLIDATED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 1999

MANAGEMENT'S REPORT

The Management of the Company is responsible for the preparation of the consolidated financial statements and the financial information included in this annual report.

Management maintains a system of internal controls to produce reliable financial statements and to provide reasonable assurance that assets are safeguarded.

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in Canada and necessarily include amounts based on estimates and judgments of Management based on the data available at the time.

Raymond Chabot Grant Thornton was appointed by the shareholders as external auditors of the Company. Their report, presented on the following page, expresses an opinion on the consolidated financial statements.

The Audit Committee meets on a quarterly basis with the external auditors, with and without Management being present, to review the financial statements and to discuss audit related matters. The members of the Committee are independent directors.

On the recommendation of the Audit Committee, the Board of Directors has approved the Company's consolidated financial statements.

(s) Louis P. Gignac

Louis P. Gignac
President and Chief
Executive Officer

(s) Alain Krushnisky

Alain Krushnisky
Vice President, Control

Montréal, Canada
April 21, 2000

AUDITOR'S REPORT

To the Shareholders of
Cambior Inc.

We have audited the consolidated balance sheets of Cambior Inc. as at December 31, 1999 and 1998 and the consolidated statements of earnings, contributed surplus and retained earnings (deficit) and cash flows for each of the years in the three-year period ended December 31, 1999. 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 in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1999 and 1998 and the results of its operations and cash flows for each of the years in the three-year period ended December 31, 1999 in accordance with generally accepted accounting principles in Canada.

As discussed in Note 16 A (f) and (h) on Generally Accepted Accounting Principles in Canada and the United States, certain information in sections A and B of the note has been revised or restated.

(s) Raymond Chabot Grant Thornton

General Partnership
Chartered Accountants

Montréal, Canada
April 21, 2000
(Except for Note 16, dated September 15, 2000 and Note 15, dated February 14, 2001)

COMMENTS BY THE AUDITOR FOR AMERICAN READERS ON CANADA-US REPORTING DIFFERENCES

In the United States, reporting standards for auditors require the addition of an explanatory paragraph (following the opinion paragraph) when the financial statements are affected by facts and conditions which place substantial doubt on the capacity of the Company to continue its operations, such as those described in Note 1 to the financial statements. Our report to shareholders dated April 21, 2000, is expressed in accordance with Canadian reporting standards which do not require a reference to such facts and conditions in the auditor's report when these are adequately disclosed in the financial statements.

(s) Raymond Chabot Grant Thornton

General Partnership
Chartered Accountants

Montréal, Canada
April 21, 2000

CAMBIOR INC.

CONSOLIDATED EARNINGS

YEARS ENDED DECEMBER 31
(in thousands of United States dollars)

	1999	1998	1997
	$	$	$
Revenues			
Mining operations	330,028	341,463	319,219
Investments	1,819	2,130	5,147
	331,847	343,593	324,366
Expenses			
Mining operations	184,185	187,688	169,969
Smelting, refining and transportation	49,235	45,692	48,601
Depreciation, depletion and amortization	72,855	63,191	50,443
Royalties	4,637	5,216	5,900
Exploration	8,033	7,948	12,832
Administration	6,603	5,906	6,959
Capital tax	1,574	2,000	1,594
Financial expenses	13,004	9,896	11,115
Loss (gain) on foreign exchange	(86)	465	565
Gain on disposal of exploration properties and other	(1,156)	(4,232)	-
Write-down of investments	2,411	6,110	-
Write-down of mining assets (Note 5)	290,838	18,385	-
Loss on foreign exchange from reduction in net investment (Note 9)	9,175	-	-
Restructuring charge (Note 10)	57,287	-	-
	698,595	348,265	307,978
Earnings (Loss) before the undernoted items	(366,748)	(4,672)	16,388
Income and mining taxes (Note 11)	9,474	(4,983)	(6,118)
	(357,274)	(9,655)	10,270
Minority interest (Note 7)	(694)	(1,801)	(3,200)
Net earnings (loss)	(357,968)	(11,456)	7,070
Earnings (Loss) per share (in dollars)	(5.07)	(0.16)	0.12
Weighted average number of common shares outstanding (in thousands)	70,563	69,627	60,150

The accompanying notes are an integral part of the consolidated financial statements.

CAMBIOR INC.

CONSOLIDATED CONTRIBUTED SURPLUS AND RETAINED EARNINGS (DEFICIT)

YEARS ENDED DECEMBER 31

(in thousands of United States dollars, except for amounts per share)

	1999	1998	1997
	$	$	$
CONTRIBUTED SURPLUS			
Balance, beginning of year	361,542	335,913	335,755
Premiums received on the issuance of common shares and warrants	-	25,629	158
Balance, end of year	361,542	361,542	335,913
RETAINED EARNINGS (DEFICIT)			
Balance, beginning of year	21,112	37,536	36,722
Net earnings (loss)	(357,968)	(11,456)	7,070
	(336,856)	26,080	43,792
Dividends ($0.025 per share in 1999, $0.05 per share in 1998 and $0.10 per share in 1997)	(1,764)	(3,520)	(6,256)
Share issue expenses, net of income taxes	-	(1,448)	-
Balance, end of year	(338,620)	21,112	37,536

The accompanying notes are an integral part of the consolidated financial statements.

CAMBIOR INC.
CONSOLIDATED CASH FLOWS
YEARS ENDED DECEMBER 31

(in thousands of United States dollars, except for amounts per share)

	1999	1998	1997
	$	$	$
OPERATING ACTIVITIES			
Net earnings (loss)	(357,968)	(11,456)	7,070
Deferred gains	2,380	17,825	39,639
Non-cash items			
Depreciation, depletion and amortization	72,855	63,191	50,443
Amortization of deferred gains	(18,157)	(13,028)	(6,880)
Write-down of investments	2,411	6,110	-
Write-down of mining assets	290,838	17,885	-
Income tax benefit and deferred income and mining taxes	(10,363)	3,864	5,224
Minority interest	694	1,801	3,200
Restructuring charge	22,022	-	-
Loss on foreign exchange from reduction in net investment	9,175	-	-
Provision for environmental obligations	2,834	2,569	1,124
Gain on sale of exploration properties	(1,659)	(4,232)	-
Other	1,744	1,075	1,825
Cash flows from operations	16,806	85,604	101,645
Changes in non-cash working capital items			
Settlements receivable	(11,038)	(868)	6,273
Other accounts receivable	2,874	377	713
Supplies inventory	3,291	1,888	1,710
Prepaid expenses	1,258	1,528	351
Accounts payable and accrued liabilities	(2,210)	(4,649)	(1,299)
	(5,825)	(1,724)	7,748
Cash flows from operating activities	10,981	83,880	109,393
INVESTING ACTIVITIES			
Investments	842	(6,190)	(2,901)
Property, plant and equipment	(72,245)	(82,041)	(98,117)
Business acquisitions (Note 3)	-	(94,623)	-
Cash flows used in investing activities	(71,403)	(182,854)	(101,018)
FINANCING ACTIVITIES			
Long-term debt			
Borrowings	53,200	390,273	428,164
Repayments	(5,646)	(365,086)	(486,144)
Minority interest	-	(1,801)	(3,200)
Common share issue	-	51,984	212
Dividends	(1,764)	(3,520)	(6,256)
Mining taxes	-	(50)	(81)
Cash flows from financing activities	45,790	71,800	(67,305)
Foreign exchange loss on cash held in foreign currency	(1,455)	(2,022)	(1,220)
Net decrease in cash and cash equivalents	(16,087)	(29,196)	(60,150)
Cash and cash equivalents, beginning of period	22,018	51,214	111,364
Cash and cash equivalents, end of period	5,931	22,018	51,214
Per common share (in dollars)			
Cash flows from operations	0.24	1.23	1.69
Cash flows from operating activities	0.16	1.20	1.82
Weighted average number of common shares outstanding (in thousands)	70,563	69,627	60,150
Additional information			
Interest paid	12,264	7,986	9,380
Income taxes and mining duties paid	1,323	658	689

The accompanying notes are an integral part of the consolidated financial statements.

CAMBIOR INC.
CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31
(in thousands of United States dollars)

	1999	1998
	$	$
ASSETS		
Current assets		
Cash and cash equivalents	5,931	22,018
Settlements receivable	29,287	18,249
Other accounts receivable	4,388	7,262
Supplies inventory	22,885	26,176
Prepaid expenses	1,233	2,491
	63,724	76,196
Investments (Note 4)	1,310	5,353
Property, plant and equipment (Note 5)	456,640	726,927
Income tax benefit	-	412
	521,674	808,888
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	31,166	33,911
Provision for restructuring charge	22,022	-
Current portion of long-term debt	212,623	572
	265,811	34,483
Long-term debt (Note 6)	1,750	165,895
Deferred gains	21,779	37,556
Provision for environmental obligations and other	13,205	8,985
Deferred income and mining taxes	-	10,775
Minority interest (Note 7)	-	1,659
	302,545	259,353
SHAREHOLDERS' EQUITY		
Capital stock (Note 8)	204,961	204,961
Contributed surplus	361,542	361,542
Retained earnings (Deficit)	(338,620)	21,112
Cumulative translation adjustment (Note 9)	(8,754)	(38,080)
	219,129	549,535
	521,674	808,888

The accompanying notes are an integral part of the consolidated financial statements.

On behalf of the Board,

(s) Guy G. Dufresne Director

(s) Louis P. Gignac Director

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

1 - INCORPORATION, 1999 EVENTS AND GOING CONCERN

Incorporation

Cambior Inc. ("Cambior"), incorporated under Part 1A of the Companies Act (Québec), is engaged in the mining, exploration and development of mining properties, principally gold, located in North America and South America.

1999 events

Following the rapid rise in gold prices at the end of the third quarter, it became necessary for the Company to negotiate with its hedge counter-parties and its lenders in order to arrange for the orderly fulfillment of its gold delivery obligations.

The Company had implemented a hedging strategy in 1999 based on variable volume forward contracts and on buying put options and selling call options, in anticipation of continued depressed gold market conditions throughout the year. When gold prices surged unexpectedly in late September of 1999, many more of the call options that Cambior had issued earlier in the year were exercised than Cambior had anticipated. As a result, Cambior's delivery commitments exceeded its then available gold reserves. This unexpected development in the gold market defeated the Company’s intended hedging strategy and required Cambior to account for its exposure as if it were a speculative position.

Cambior’s consistent practice established over more than 10 years with hedge counter-parties had been to roll short-term positions until eventual delivery of production, derived from its proven and probable reserve base. Given the disorderly and highly illiquid gold market conditions that prevailed in October 1999 and the substantial potential financial liability that the Company presented towards its hedging counter-parties, some financial institutions declined to roll their positions with Cambior.

At the end of the third quarter of 1999, the Company’s gold delivery obligations totaled 1,540,000 ounces of gold at an average strike price of $281 per ounce through put options and spot deferred contracts with expiry dates prior to December 31, 1999. The Company also had contingent delivery obligations of 920,000 ounces under call options at an average strike price of $287 per ounce with expiry dates prior to December 31, 1999. These positions far exceeded the Company’s production capacity, which totaled 170,000 ounces in the fourth quarter of 1999.

In October 1999, the Company signed a Standstill Agreement with its financial counter-parties pursuant to which the counter-parties agreed to defer the Company’s gold delivery obligations expiring during the standstill period, and to waive compliance with certain related provisions of Cambior’s Credit Facility agreement, until the signing of a definitive restructuring agreement.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

1 - INCORPORATION, 1999 EVENTS AND GOING CONCERN (continued)

1999 events (continued)

The terms of the Standstill Agreement included, among other things, an obligation that the Company purchase 1,000,000 ounces of gold at market prices in order to close out part of its delivery obligations under its hedging positions. This purchase was finalized at the end of October 1999 at an average price of $300 per ounce. The combination of this purchase and the close-out of a similar amount of positions with an average strike price of $269 per ounce caused the Company to incur a loss on this position of $31,200,000. The close-out of other positions totaling 349,000 ounces of gold with two specific counter-parties (78,500 ounces subject to put options, 149,500 ounces subject to spot deferred contracts and 121,000 ounces subject to call options) resulted in a further loss of $2,000,000 and a total loss on the position of $33,200,000 (Note 10), and increased the amount of the loan under the Company's Credit Facility from $179,000,000 to $212,200,000. On September 30, 1999, the Company's total gold hedge position had a mark-to-market loss of $112,000,000, calculated at a spot gold price of $299 per ounce. On December 31, 1999, the total hedge position had a mark-to-market loss of $55,000,000, calculated at a spot gold price of $290 per ounce.

On December 22, 1999, the Standstill Agreement was replaced by a Definitive Agreement and the Company signed an amended and restated Credit Facility with the banking syndicate.

The Definitive Agreement relating to the hedging position includes, among other things:

- the rescheduling and conversion of short-term gold delivery commitments under call options and spot deferred contracts into new fixed forward contract positions extending over three years. These new positions take into account the fact that the counter-parties and the Company have agreed that $8,000,000 (see Note 10) of the net proceeds from projected asset sales would be paid to the hedge counter-parties, on a priority basis, as security for Cambior's obligations under the fixed forward contracts. This payment would also result in an increase in the average selling price under the fixed forward contracts from $277 per ounce to $291 per ounce.
- the maintenance of variable volume forward sales contracts.
- the maintenance of the remaining commitments relating to the call options expiring between 2000 and 2002.
- the payment of a restructuring fee equivalent to 1% of the exposure amount under the Credit Facility and the gold hedging position, or approximately $2,600,000.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

1 - INCORPORATION, 1999 EVENTS AND GOING CONCERN (continued)

1999 events (continued)

The amended and restated Credit Facility provides for a decrease in credit limit to the current amount of the loan, or $212,200,000, and eliminates the possibility of conversion of the loan into a gold loan. As well, all of the loan obligations will mature on December 31, 2000. However, interim payments totaling not less than $75,000,000, including restructuring fees, deferred additional interest and the amount of $8,000,000 due to the hedge counter-parties as security to the fixed forward contracts, must be made by June 30, 2000. The agreement also precludes any further borrowings thereunder.

The Company's loan and hedging obligations will be subject to acceleration by the lenders if the Company defaults on its obligations under the agreement or if satisfactory arrangements to repay or refinance the loan by December 31, 2000 are not in place by September 30, 2000 (see Note 6 for other terms and conditions relating to the amended and restated Credit Facility).

The Board of Directors of the Company has retained the services of financial advisors in order to evaluate the various options available to reduce indebtedness and maximize shareholder value. The Company accordingly embarked on a process for the sale of assets or the completion of a corporate transaction.

Subsequent to the agreement for the sale of the Bouchard-Hébert and Langlois mines on March 14, 2000 (see Note 15), the Company intends to actively pursue the process of reducing its level of indebtedness by concentrating on the disposal of base metal assets. The Company also intends to pursue any and all alternatives in order to maximize shareholder value through corporate transactions or the operation of a company focused on gold mining. In this context, and according to generally accepted accounting principles in Canada, the Company will present the results from its base metal operations as a discontinued operation starting in the first quarter of 2000.

Going concern

These financial statements are based on the presumption that the Company is a going concern, that is to say that it will pursue its activities in the foreseeable future and will be able to realize its assets and respect its debt obligations in the normal course of business. According to the amended and restated Credit Facility, the Company must make compulsory interim payments totaling not less than $75,000,000 by June 30, 2000 and arrive at satisfactory arrangements by September 30, 2000 to repay or refinance the balance of its loan by December 31, 2000. There can be no assurance that this will occur. If the Company is unable to satisfy the terms of the Definitive Agreement, it will have to negotiate with its lenders for a waiver of the default and make satisfactory alternative arrangements to remedy its default by securing funds through asset sales, private placements

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

1 - INCORPORATION, 1999 EVENTS AND GOING CONCERN (continued)

Going concern (continued)

or refinancings with other parties. If such alternative arrangements cannot be put in place, the lenders will have various contractual rights entitling them to liquidate assets hypothecated under the Definitive Agreement and the ongoing operations of the Company may be compromised, which may in turn have a material adverse effect on the Company.

2 - ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in Canada. As described in Note 16, those principles differ in certain material respects from some accounting principles that the Company would have followed had its consolidated financial statements been prepared in accordance with generally accepted accounting principles in the United States. The principal accounting policies followed by the Company are as follows:

Principles of consolidation

The consolidated financial statements include the accounts of the Company and of its subsidiaries. The Company's share in joint ventures is accounted for by the proportionate consolidation method.

Consolidated statement of cash flows

As of January 1, 1999, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants with respect to the presentation of cash flow information.

Information on cash flows for the previous years has been restated in order to conform with the new recommendations. The changes resulting from the adoption of the new recommendations for the previous years are as follows:

	1998	1997
	$	$
Cash flows from operating activities (i) (ii) (iii)	1,421	33,317
Cash flows used in investing activities (iii)	5,281	593
Cash flows from financing activities (i) (ii)	(4,680)	(32,690)
Foreign exchange loss on cash held in foreign currency	(2,022)	(1,220)

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

2 - ACCOUNTING POLICIES (continued)

Consolidated statement of cash flows (continued)

(i) Gains realized from the conversion of gold loans into dollar loans were previously presented under Financing activities. This element is now considered as an adjustment to Cash flows from operating activities in the period in which it is realized.

(ii) The amortization of deferred gains relating to gold loans was previously presented as an adjustment under Financing activities. Under the new requirements, the amortization is deducted from Cash flows from operating activities.

(iii) The gain on the disposal of an exploration property (see Note 3 – Doyon acquisition) was previously presented under Investing activities. Under the new requirements, since this element is a non-cash item and is included in the statement of earnings it has been deducted from Cash flows from operating activities.

Use of estimates

The preparation of consolidated financial statements requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities shown on the balance sheet and contingencies mentioned at the date of the consolidated financial statements, and the amounts of revenues and expenses shown on the consolidated statement of earnings for the reporting period. Actual results could differ from those estimates.

Fair value of short-term financial instruments

The fair value of cash and cash equivalents, settlements receivable, other accounts receivable and accounts payable and accrued liabilities is equivalent to the carrying amount given the short maturity period.

Post retirement benefits

The cost of post retirement benefits was accounted for under the cash basis of accounting. During 1998, the Company changed its accounting method to the accrual method. The adoption of this method had no significant impact on the earnings for 1998.

Cash and cash equivalents

Cash and cash equivalents include cash funds, bank balances and short-term investments in money market instruments with an original term of less than three months that are carried at the lower of cost and quoted market value. The Company limits its credit risk concentration by diversifying its investments with a certain number of major financial institutions that meet its credit qualifying standards. Interest rates for temporary investments range from 4.50% to 6.18% (4.75% to 5.40% in 1998).

2 - ACCOUNTING POLICIES (continued)

Income recognition and settlements receivable

The Company recognizes income from metals when they have been extracted and processed at the on-site mill facilities. Settlements receivable include gold, ferroniobium and metal concentrates and are recorded at an estimated net realizable value. Estimated net realizable value is based upon either contracted or current prices, less a provision for possible adverse fluctuations in metal prices, where appropriate.

Supplies inventory valuation

The supplies inventory is valued at the lower of average cost and replacement cost.

Property, plant and equipment

Property, plant and equipment are accounted for at cost. The depreciation, depletion and amortization of mining properties, development expenses and buildings and equipment related to mines are principally based on the units of production method over the estimated economic life of the related deposit. However, if the anticipated useful life of the assets is less than the life of the deposit, depreciation is based on their anticipated useful life.

Mining costs associated with stripping activities are deferred in the case of an open pit mine if the actual ratio of total tonnes of material mined relative to gold production, in a given year, is higher than the estimated average ratio for the life of the mine. These mining costs are subsequently amortized in the periods during which the said ratio is lower than the estimated average ratio for the life of the mine.

Other property, plant and equipment are depreciated under the straight-line method according to the their anticipated useful lives, which is 10 years for office furniture and layout, 5 years for vehicles, office and computing equipment and the duration of the lease for leasehold improvements.

Exploration expenses incurred to the date of establishing that a property has mineral resources which have the potential of being economically recoverable are charged to earnings; exploration and development expenses incurred subsequent to this date are allocated to fixed assets under mining projects.

The Company periodically values the carrying amount of its property, plant and equipment based on the future cash flow method. Net estimated future cash flows, on an undiscounted basis, from each mine and mining project are calculated based on future production (considering proven and probable reserves for mines and reserves or resources for mining projects), estimated future metal

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

2 - ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

price realization (considering historical and current prices, price trends and related factors) and operating, capital and site restoration expenses. If it is determined that the net recoverable amount of the property, plant and equipment is less than the carrying value and the impairment in value is permanent, a write-down to the net recoverable amount is made with a corresponding charge to earnings. Management's estimate of future cash flows are subject to risks and uncertainties. Therefore, it is reasonably possible that changes could occur which may affect the recoverability of the Company's property, plant and equipment.

Provision for environmental obligations

Ongoing site restoration costs are charged to earnings in the period during which they are incurred. Closure costs including reclamation and restoration are estimated and charged to earnings over the expected operating lives of the mines.

Based on current environmental regulations and known reclamation requirements, management has included its best estimates of these obligations in its provision for environmental obligations. However, it is reasonably possible that the Company's estimates of its ultimate environmental obligations could change as a result of changes in regulations or cost estimates.

These obligations are currently estimated as follows : Doyon Mine - $18.5 million; Omai mine - $4.1 million and other producing mines - $1.6 million.

Income and mining taxes

Income and mining taxes are accounted for on a tax allocation basis. Differences between amounts reported for tax and accounting purposes may result in deferred income and mining taxes. Deferred income and mining taxes relate primarily to the depreciation, amortization and depletion of property, plant and equipment costs.

In December 1997, the CICA Accounting Standards Board issued Section 3465 Income Taxes which adopts the liability approach based on the temporary differences method of accounting for income taxes. The standard is similar in all material respects to the United States accounting standard SFAS No. 109. The new standard, which will be implemented in respect of the financial statements for 2000, with retroactive application for prior periods, will not have a material effect on earnings.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

2 - ACCOUNTING POLICIES (continued)

Gold loans and other hedging instruments

The Company enters into hedging transactions in order to protect itself against the impact of falling gold and other metal prices. These hedging transactions, which include gold loans, forward contracts and option contracts provide a minimum price for future production.

Gold delivery commitments (which includes the maximum quantity related to the variable volume forward position and the call options sold) in excess of expected future gold production are not accounted for as hedges. These positions are accounted for at market value at each balance sheet date and the variation in market value is charged to earnings.

Initially, a gold loan is classified as debt at the price realized from the sale of the borrowed gold. Subsequently, a gold loan is carried at the value based on the market price of gold prevailing at each balance sheet date. When a gold loan is used as part of the Company's hedging program, the unrealized gain or loss resulting from the "mark-to-market" adjustment is recorded as deferred revenue or as deferred charge, as appropriate. As the Company delivers gold from production to repay the loan, gold sales are recorded at the initial price realized, reducing the debt and the deferred revenue or deferred charge balances accordingly.

When a gold loan is converted into a dollar loan, the gain or loss realized is recorded as deferred gain or as deferred charge. This deferred gain or charge is included in revenues as the production initially designated as a hedge would be sold.

Proceeds from forward contracts and option contracts are recognized in revenues at the contracted price at the time the designated metals production is available.

The Company also enters into foreign exchange contracts whereby it commits to deliver US currency in exchange for Canadian dollars. Because most of the Company's revenues are derived in US funds and expenditures incurred by the Company for its Canadian operations are denominated in Canadian dollars, the Company enters into such contracts to protect itself in the event of a strengthening Canadian currency. Proceeds from these contracts are recognized in revenues at maturity.

When foreign exchange contracts are repurchased before their due date, the gain or loss is recognized as a deferred gain or charge. This gain or charge is included in revenues at the expected maturity.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

2 - ACCOUNTING POLICIES (continued)

Common share purchase options

The Company grants common share purchase options under its Common share purchase option program to key employees of the Company and its subsidiaries. No remuneration expense is accounted for at the time the options are granted to the employees. Consideration paid by the employees when the options are exercised is added to capital stock.

Foreign currency translation

The reporting currency has been the US dollar since January 1, 1996.

Assets and liabilities of Canadian mining activities are translated into US dollars at the exchange rate in effect at the balance sheet date. The functional currency of Canadian mining activities is the Canadian dollar. Translation adjustments arising from changes in exchange rates are deferred and shown as a separate component of shareholders' equity. The US dollar in the functional currency for the Company's activities in Guyana, inasmuch as all proceeds from the sale of gold are in US dollars and substantially all of the disbursements made for the Omai mine are in US dollars. The functional currency for the Company's activities in Mexico is the Mexican Peso and in Peru is the US dollar, as substantially all of the disbursements made in Peru are in US dollars.

Other monetary assets and liabilities in foreign currencies are translated at the exchange rate in effect at the balance sheet date, whereas other non-monetary assets and liabilities in foreign currencies are translated at the exchange rate in effect at the transaction date.

Revenues and expenses in foreign currencies are translated at the average rate in effect during the year, with the exception of depreciation, depletion and amortization that are translated at the historical rate in the cases of fully integrated foreign operations. Gains and losses are recorded in earnings for the year.

Exchange gains and losses related to long-term debt are amortized over the period of the scheduled reimbursements.

Reclassification

Costs in the amount of $899,000 related to the evaluation of a potential merger between another North American-based gold company and Cambior were previously presented on the line item Gain on disposal of exploration properties and other in the Consolidated Statement of earnings. These financial statements reflect a reclassification of this amount to the caption Administration expense.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

3 - BUSINESS ACQUISITIONS

DOYON MINE

In 1998, the Company purchased the remaining 50% interest in the Doyon mine. The net assets acquired are as follows:

Net assets acquired	$
Property, plant and equipment	107,065
Decrease in the value of the Vézina mill after the planned transfer of milling of production from the Mouska mine to the Doyon mill	(7,075)
Provision for environmental obligations	(1,135)
Acquisition cost	98,855

Consideration	$
Cash and purchase price balance	95,000
Cash for net working capital	(377)
Impact on cash flow	94,623
Transfer of an exploration property	4,232
	98,855

The $50,000,000 cash portion paid on February 3, 1998, the closing of the transaction, was provided by a public offering of 10,200,000 common shares at a price of Cdn $7.50 ($5.17) per share. A sum of $25,000,000 was paid on June 30, 1998, and the balance of $20,000,000 was paid on December 31, 1998.

This acquisition has been accounted for by the purchase method. The results of operations of the purchased joint venture are included in the consolidated statement of earnings from the date of acquisition.

4 - INVESTMENTS

	1999	**1998**
	$	**$**
At cost:		
Shares and loans of public mining exploration companies[(a)]	1,310	4,253
At equity value:		
Hope Bay Gold Corporation Inc. (“HBGC”)[(b)(c)]	-	1,100
	1,310	5,353

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

4 - INVESTMENTS (continued)

(a) The fair market value is $4,234,000 ($4,245,000 in 1998), including $1,907,000 related to the Company's investment in HBGC. The fair market value in 1999 represents the last quoted market price for the shares. The fair market value in 1998 represents the last quoted market price for the shares as well as the carrying amount of the loans.

(b) Formerly known as Cambiex Exploration Inc.

(c) During 1999, the Company's interest in Cambiex decreased from 30.59% to 11.09%, due to the issuance of common shares by Cambiex. Given that since December 17, 1999, the Company no longer has significant influence, the investment at equity value was classified on December 31, 1999 as an investment at cost.

The Company owns 8,600,000 common shares of HBGC. The Company's share of HBGC's earnings amounted to a loss of $878,000 in 1999 compared to a loss of $471,000 in 1998 and a gain of $354,000 in 1997. The fair market value was $1,290,000 at December 31, 1998.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

5 - PROPERTY, PLANT AND EQUIPMENT

	1999		
	Cost	Accumulated depreciation, depletion and amortization	Net
	$	$	$
Mining properties	76,598	64,281	12,317
Development expenses	362,786	222,204	140,582
Land, buildings and equipment relating to mines	428,940	224,357	204,583
Other	16,957	12,950	4,007
	885,281	523,792	361,489
Mining projects	95,151	-	95,151
	980,432	523,792	456,640

Included in the above table are the following amounts of property, plant and equipment relating to the base metal assets, which sector is intended to be sold:

Mining properties and other related fixed assets	214,438	175,677	38,761
Mining projects	68,674	-	68,674
	283,112	175,677	107,435

	1998		
	Cost	Accumulated depreciation, depletion and amortization	Net
	$	$	$
Mining properties	62,319	24,665	37,654
Development expenses	318,633	93,823	224,810
Land, buildings and equipment relating to mines	414,112	147,760	266,352
Other	16,750	5,284	11,466
	811,814	271,532	540,282
Mining projects	186,645	-	186,645
	998,459	271,532	726,927

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

5 - PROPERTY, PLANT AND EQUIPMENT (continued)

Write-down of mining assets

Following the events described in Note 1 of these Consolidated Financial Statements ("Events of 1999") and considering the results from the asset sale process which the Company embarked upon prior to year-end, and in conjunction with its periodic valuation of the carrying value of its property, plant and equipment as described in Note 2, the Company determined that a write-down of assets was necessary. Given that prior to the events of 1999 it was not the intent of the Company to dispose of any of its assets, the Company had used the undiscounted future cash flow method in assessing the values of all of its assets as it had not, in the past, attempted to establish a realizable value based on an asset sale process. The write-down is detailed as follows:

	1999 $	1998 $
Bouchard-Hébert and Langlois mines	118,246	-
Base metal mining projects	70,458	-
Omai mine	39,818	-
Gold mining projects	38,199	13,914
Doyon division	18,700	-
Equipment relating to mines and other assets	5,417	4,471
	290,838	18,385

The write-down of the Bouchard-Hébert and Langlois mines and the mining projects intended for sale reflects the lower of the cost and the net realizable value.

The write-down of the operating mines is presented with accumulated depreciation, depletion and amortization, while that of the mining projects is presented as a reduction of cost.

Capitalized interest

Interest capitalized to property, plant and equipment in 1999 totals $85,000 ($468,000 in 1998).

Commitments

In order to retain its rights in the Cerro San Pedro mining project, the Company must invest a total of $2,853,000 by December 31, 2000. In the absence of such investment, the Company's right in the project will revert back to its original owner.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

5 - PROPERTY, PLANT AND EQUIPMENT (continued)

Options held by a third party on the Gross Rosebel mining project

In June 1994, Cambior entered into an option agreement with Golden Star Resources Ltd. (Golden Star) to acquire 50% of Golden Star's interest in the Gross Rosebel project. This option was exercised in December 1995.

In accordance with an agreement dated April 1994 between Golden Star, the Republic of Suriname and Grasshopper Aluminium Company N.V. (Grassalco), Grassalco holds two options to acquire in the aggregate a 40% interest in the project (*i.e.* in the share capital of the eventual Operating Company). The first option permits Grassalco to acquire a 20% interest at an exercise price equal to 20% of accumulated project costs. This option is exercisable only after the approval of the feasibility study and the granting of an exploitation concession. Grassalco also has a second option to acquire an additional 20% interest in the share capital of the Operating Company. The exercise price of the second option will be determined by a recognized (gold mining) industry expert acceptable to both parties, based on a North American capital markets valuation of shares of companies having the same characteristics as those of the Operating Company. The second option may only be exercised after the eighth year of production. Upon the exercise of any of these options, Cambior and Golden Star have agreed to assign, in equal proportions, shares of the Operating Company that are required for the exercise of any such option in return for a proportionate share of the option exercise price.

6 - LONG-TERM DEBT

	Current portion	1999	1998
	$	$	$
Credit facility[(a)(b)(c)]			
Dollar loan at the LIBOR rate plus 4% and at the base rate plus 2%, or 10% and 11% respectively at December 31, 1999 (at LIBOR rate plus 0.75%, or 6.02% at December 31, 1998)	212,200	212,200	164,000
Obligations under capital leases, bearing interest at rates ranging from 5.68% to 9.50%, payable in monthly and quarterly installments until July 1, 2009	423	1,378	1,997
Government assistance, discounted at a rate of 8%, repayable in 2002	-	795	470
		214,373	166,467
Current portion	212,623	212,623	572
Long-term portion of debt		1,750	165,895

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

6 - LONG-TERM DEBT (continued)

(a) On July 28, 1998, the Company signed a new agreement with a banking syndicate for a Credit Facility of 750,000 ounces of gold or $250,000,000. Advances under the Credit Facility were to be denominated at the Company's option as gold loans, dollar LIBOR loans or dollar Base Rate loans.

This new facility consisted of a $250,000,000 Revolving Credit amortized over a five-year period with seven semi-annual reductions beginning on June 30, 2000 and ending on June 30, 2003. The reduction term of the Credit Facility could be extended by one year at each anniversary date upon mutual agreement between the Company and the banking syndicate.

Amounts outstanding under the Credit Facility bore interest at the gold base rate for the gold loans and at the LIBOR rate for dollar loans, plus a premium determined quarterly on the basis of the Company's debt ratio. At December 31, 1998, the applicable premium was 0.75% and the usage rights on the unused portion of the Credit Facility was 0.25%. In addition, an amount of up to $86,000,000 remained available in accordance with this facility.

The loan was unsecured except for the eventual proceeds from a foreign investment insurance policy which the Company contracted with the Export Development Corporation ("EDC") for its Omai mine located in Guyana. Under the terms of the policy, 90% of any loss resulting from the occurrence of specified events of political risk in relation to the mine operations, including war, expropriation and currency transfer restrictions, would be covered by the EDC. The policy covers the investment to a maximum of $100,000,000.

The following are the covenants and financial ratios that the Company was subject to under its 1998 Credit Facility: a) tangible net worth of not less than US $450,000,000; b) a total net debt to tangible net worth ratio not to exceed 0.50 to 1.00; c) a total net debt to cash flow ratio not to exceed 3.50 to 1.00; d) proven and probable reserves at the end of each fiscal year not to be less than 1.6 million ounces; and e) a maturity date debt to reserve tail ratio not to exceed US $40 per ounce.

The Company was in compliance with the financial ratios at all times until it was forced by its financial counter-parties to purchase 1,000,000 ounces of gold and to close out other positions totaling 349,000 ounces pursuant to the Standstill Agreement. As a result of these transactions, the Company's Credit Facility increased by $33,200,000 and the Company failed to comply with the Total net debt to cash flow ratio. However, in October 1999 under the terms of the Standstill Agreement, the counter-parties agreed to waive the non-compliance of the above covenant.

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

6 - LONG-TERM DEBT (continued)

(a) (continued)

Prior to July 1998, the financing arrangements of the Company consisted of a Credit Facility which the Company entered in 1995 with a banking syndicate for up to the lesser of 600,000 ounces of gold or $225,000,000. Advances under the Credit Facility could be denominated interchangeably at the Company's option as gold loans, dollar LIBOR loans or dollar Base Rate loans.

The Credit Facility consisted of: (a) a $75,000,000 Credit repayable in sixteen (16) consecutive quarterly payments with a maturity date of December 31, 2001, and (b) a $150,000,000 Revolving Credit with a revolving period with a maturity date of December 31, 1998 followed by a three-year quarterly reduction period with a maturity date of December 31, 2001. The revolving period was extendable by one year upon the mutual agreement of the Company and the banking syndicate, which would extend the maturity date to December 31, 2002.

(b) On December 22, 1999, the Company signed an amended and restated Credit Facility agreement with the banking syndicate.

The amended and restated Credit Facility provides for a reduction of the maximum available credit to the current amount of the loan, or $212,200,000, and eliminates the possibility of conversion of the loan into a gold loan. As well, all of the loan obligations will mature on December 31, 2000. However, interim payments totaling not less than $75,000,000, including restructuring fees, deferred additional interest and the amount of $8,000,000 due to the hedge counter-parties as security for Cambior's obligation under the fixed forward contracts, must be paid by June 30, 2000. The agreement also precludes any further borrowings thereunder.

Interest on this loan is payable monthly at LIBOR plus 0.75% or at the Base Rate until June 30, 2000, at the Company's option. Supplementary costs equal to 3.25% per year in the case of LIBOR or 2% per year for the Base Rate have been deferred until June 30, 2000, subject to compulsory early repayment should assets be sold or additional capital be raised before this date. Beginning June 30, 2000, the additional interest will increase by 1% per annum in each month and will be payable monthly until the loan maturity date of December 31, 2000.

Bonds to be issued in relation to a hypothec for a maximum amount of Cdn $600 million has been pledged as security for obligations under the Credit Facility, gold hedging and base metals commitments and foreign exchange contracts. This hypothec consists of a first-ranking fixed charge on the Doyon,

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

6 - LONG-TERM DEBT (continued)

(b) (continued)

Mouska, Bouchard-Hébert and Langlois mines, and a charge on all of the other assets of the Company for a maximum amount of Cdn $700 million.

Furthermore, the Company has agreed to restrictions on its capital expenditures and its hedging activities. It has also agreed not to borrow additional amounts from third parties or pay dividends and to use a substantial portion of the proceeds from any sale of assets or share offering to repay its obligations to its lenders.

The Company's obligations to its lenders will be subject to acceleration should the Company default on its obligations under the agreement or should satisfactory arrangements to repay or refinance the loan by December 31, 2000 are not in place by September 30, 2000.

(c) In 1998, the Company converted its gold loans into dollar loans pursuant to the conversion clause in the agreement and realized gains of $17,825,000 representing the difference between the price of the forward purchase contracts in place to convert the gold loans and their carrying amount at the conversion date. Similarly, gains of $39,639,000 were realized in 1997.

Since the gold loans are part of the Company's gold production hedging program, these gains have been presented on the balance sheet under deferred gain. These gains are recognized in revenues on a proportionate basis using the same debt repayment schedule as existed prior to the conversions of the loans, based on the assumption that the loans would have been repaid on such schedule. An amount of $17,840,000 was applied to revenues in 1999, $13,028,000 in 1998 and $6,880,000 in 1997 and the balance of $19,716,000 will be included in revenues on the basis of the originally corresponding number of ounces that was to be repaid, as follows:

	$
2000	14,057
2001	5,659

The fair market value of the Company's long-term debt approximates the carrying amount as at December 31, 1999 and 1998, based on the rates in effect offered to the Company for debt securities with similar maturity dates.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

6 - LONG-TERM DEBT (continued)

The minimum reimbursements on the long-term debt for the coming years are as follows:

Year of repayment	$
2000	212,623
2001	147
2002	686
2003	256
2004 and subsequent years	661
	214,373

Interest on long-term debt amounted to $11,997,000 in 1999 ($7,853,000 in 1998 and $9,204,000 in 1997).

7 - MINORITY INTEREST

Minority interest results from common and preferred shares held by Golden Star Resources Ltd. and the Government of Guyana in the Omai Gold Mines Limited ("Omai") subsidiary. In 1998, minority interest also included the interest held by Cambiex in the Yaou-Dorlin project.

8 - CAPITAL STOCK

Authorized
Unlimited number of shares

Voting common shares with a par value of Cdn $4;

Class I preferred shares, issuable in one or several series with rights, privileges restrictions and conditions to be determined by the Board of Directors.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

8 - CAPITAL STOCK (continued)

	1999		1998		1997	
	Number of common shares	Amount	Number of common shares	Amount	Number of common shares	Amount
	(000)	$	(000)	$	(000)	$
Issued and fully paid						
Balance, beginning of year	70,563	204,961	60,156	176,270	60,138	176,216
Issued pursuant to a public offering	-	-	10,200	28,120	-	-
Issued in exchange for the acquisition of an investment in shares	-	-	200	551	-	-
Issued following the exercise of share purchase options granted to key employees	-	-	7	20	18	54
	-	-	10,407	28,691	18	54
Balance, end of year	70,563	204,961	70,563	204,961	60,156	176,270

8 - CAPITAL STOCK (continued)

Issuance of shares

Common shares were issued for cash or shares and the difference between the amounts received and the par value of Cdn $4 per share was credited to consolidated contributed surplus.

On February 3, 1998, the Company issued 10,200,000 common shares at a price of Cdn $7.50 ($5.17) per share for net proceeds of Cdn $73,112,000 ($50,389,000) after underwriting fees and other expenses for an amount of Cdn $3,388,000 ($2,336,000). This public offering was used to pay the cash portion of the acquisition of the 50% interest in the Doyon mine not already owned by the Company.

Common share purchase options

Under the Stock Option Plan for key employees of the Company and its subsidiaries, options may be granted to selected eligible employees. Options expire seven years after the date of granting. One half of the options may be exercised at the second anniversary date of the granting and the balance after three years. Options were granted at an exercise price equal to the average quoted market price on the five days immediately preceding the date the options were granted.

As at December 31, 1999, the Company had authorized the issuance of 5,500,000 common shares under the Plan (5,500,000 in 1998 and 2,450,790 in 1997).

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

8 - CAPITAL STOCK (continued)

Common share purchase options (continued)

The following table sets out the activity in common share purchase options:

(in thousands)	1999	Weighted average price $	1998	1997
Outstanding, beginning of year	2,986	9.49	1,985	1,460
Granted	1,258	3.81	1,102	572
Exercised at a weighted average price of $6.40 in 1998 and $11.33 in 1997	-	-	(7)	(18)
Cancelled or expired	(116)	7.69	(94)	(29)
Outstanding, end of year	4,128	8.25	2,986	1,985
Weighted average exercise price	8.25		9.49	11.97
Options exercisable at end of year	1,587		1,141	673

The stock options outstanding as at December 31, 1999 are detailed as follows:

Exercise price		Options outstanding			Exercisable options	
		Number (in thousands)	Weighted average remaining life	Weighted average exercisable price	Number (in thousands)	Weighted average exercisable price
$2.91	to $4.16	1,228	6.5 years	3.92	-	-
$4.17	to $5.54	392	5.5 years	5.40	-	-
$5.55	to $7.62	-	-	-	-	-
$7.63	to $11.09	1,242	4.0 years	9.14	579	10.55
$11.10	to $13.73	1,266	3.6 years	12.48	1,008	12.71
		4,128		8.25	1,587	11.92

Shareholder Rights Plan

The Company has a Shareholder Rights Plan that will expire on March 20, 2008, subject to confirmation by the shareholders at their annual general meeting in 2001. The primary objective of the Plan is to provide the Board of Directors with sufficient time to explore and develop alternatives for maximizing shareholder value if a takeover bid is made for the Company and to provide every shareholder with an equal opportunity to participate in such bid. The Plan encourages a potential acquirer to proceed either by way of a permitted bid, which requires the takeover bid to satisfy certain minimum standards designed to promote fairness, or with the concurrence of the Board of Directors.

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

8 - CAPITAL STOCK (continued)

Shareholder Rights Plan *(continued)*

As of March 26, 1993, one right to purchase one common share was issued and attached to each common share outstanding and has been attached to each common share subsequently issued. The issue of those rights is not initially dilutive. Upon a major transaction (flip-in event) occurring and the rights separating from the common shares, earnings per share on a fully diluted or undiluted basis may be affected. Holders of rights not exercising their rights upon the occurrence of a major transaction (flip-in event) may suffer substantial dilution.

Under the terms of the Shareholder Rights Plan, which was amended and restated as of March 20, 1998, the exercise price is $69.29 (CAN $100.00) per Right, until adjustment thereof upon the occurrence of a flip-in event which is defined as any transaction or event in or pursuant to which any person becomes an Acquiring Person. An Acquiring Person is, essentially, any person who is the beneficial owner of 20% or more of the outstanding voting shares of the Company subject to certain exceptions.

The expiration time associated with such rights is the earlier of (i) the close of business on March 20, 2008 and (ii) the redemption of the Rights by the Company under certain circumstances.

9 - CUMULATIVE TRANSLATION ADJUSTMENT

This account reflects the difference in the value of the net assets of the Canadian mining operations relative to the US exchange rate in effect at the end of each reporting period.

The changes in this account are as follows:

	1999	1998	1997
	$	$	$
Cumulative unrealized loss, beginning of year	(38,080)	(13,440)	(874)
Unrealized gain (loss) for the year on translation of net assets	20,151	(24,640)	(12,566)
Exchange loss charged to earnings following reduction in net investment in Canadian operations (Note 15)	9,175	-	-
Cumulative unrealized loss, end of year	(8,754)	(38,080)	(13,440)
Exchange rate, end of year	1.4433	1.5333	1.4305

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

10 - RESTRUCTURING CHARGE

The restructuring charge includes costs arising from the 1999 events mentioned in Note 1, as well as the cost of layoffs of 25 employees in the exploration and project development sector and 35 employees in the administration sector.

The restructuring charge consists of the following items:

	$
Loss on reduction of the hedging position (Note 1)	33,200
Cost to secure obligations to the hedge counter-parties (Note 1)	8,000
Unrealized loss on hedging instruments (Note 12)	8,026
Restructuring fees	2,600
Severance payments, professional fees and other expenses	5,461
	57,287

11 - INCOME AND MINING TAXES

The provisions for income and mining taxes are as follows:

	1999	1998	1997
	$	$	$
Income taxes			
Current			
Tax on large corporations in Canada	537	877	632
Foreign	-	-	4
Deferred			
Canada	(89)	2,624	2,398
Foreign	412	1,781	2,944
	860	5,282	5,978
Mining taxes – Canada			
Current	222	292	336
Deferred	(10,556)	(591)	(196)
	(10,334)	(299)	140
	(9,474)	4,983	6,118

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

11 - INCOME AND MINING TAXES (continued)

The provision for income and mining taxes differs from the amount that would have resulted by applying Canadian statutory income tax rates (federal and provincial: 38.3% in 1999, 1998 and 1997) to the Company's earnings, as follows:

	1999	1998	1997
	$	$	$
Income taxes (Income tax benefit) at combined Canadian statutory rate (federal and provincial)	(135,035)	(1,788)	6,272
Increase (Decrease) resulting from:			
Resource allowance and earned depletion	4,807	(2,839)	(2,042)
Unaccounted debit timing differences of the year	83,793	-	-
Unrecognized tax benefit	17,092	2,196	-
Realization of unrecorded tax benefit	-	(730)	(2,185)
Losses of foreign subsidiaries for which tax benefit was not recognized	30,962	7,502	4,081
Variation in income tax rates of foreign subsidiaries	(1,296)	(829)	(1,173)
Non-deductible items and other elements	-	893	393
	323	4,405	5,346
Tax on large corporations	537	877	632
Mining taxes	(10,334)	(299)	140
	(9,474)	4,983	6,118

Given the losses for the years 1999 and 1998, the Company has not booked any tax benefit or deferred tax debit as at December 31, 1999. In this regard, the Company and its subsidiaries had prior years' non-capital losses available amounting to $6,800,000 and $99,000,000 respectively. These losses may be used in future years to offset income taxes payable that may be generated by the operations and are available for various periods of up to 15 years. The Company also has timing differences relating to its Canadian operations resulting from the excess value of fixed assets for tax purposes when compared to its related book value, for an amount estimated at $130,000,000.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

11 - INCOME AND MINING TAXES (continued)

The source of timing differences and their impact on the income and mining taxes provision is as follows:

	1999	1998	1997
	$	$	$
Depreciation, depletion, and Amortization	(4,945)	5,916	16,842
Write-down of mining assets	(80,232)	-	-
Deferred gains	-	(1,746)	(11,132)
Mine closures, reclamation and other provisions	(1,359)	(1,106)	(368)
Loss carry-over	-	244	-
Write-off of a tax benefit	412	-	-
Exchange losses	1,788	506	-
Unaccounted debit timing differences of the year	83,793	-	-
Other	866	591	-
Deferred income taxes	323	4,405	5,342
Deferred mining taxes	(10,556)	(591)	(196)
	(10,233)	3,814	5,146

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

12 - COMMITMENTS AND CONTINGENCIES

Gold sales

The Company's gold sales commitments as at December 31, 1999 and 1998 are as follows:

		1999									1998
		2000	2001	2002	2003	2004	2005	2006	2007	Total	Total
SPOT DEFERRED											
Ounces	(000 ozs)	-	-	-	-	-	-	-	-	-	5
Average price	($/oz)	-	-	-	-	-	-	-	-	-	338
FIXED FORWARDS(i)											
Ounces	(000 ozs)	317	240	205	-	-	-	-	-	762	-
Average price	($/oz)	301	291	291	-	-	-	-	-	295	-
VARIABLE VOLUME FORWARDS(ii)											
Minimum ounces	(000 ozs)	90	154	82	82	82	82	90	128	790	-
Average price	($/oz)	340	340	340	340	340	340	357	357	345	-
PUT OPTIONS PURCHASED											
Ounces	(000 ozs)	-	-	-	-	-	-	-	-	-	796
Average price	($/oz)	-	-	-	-	-	-	-	-	-	327
MINIMUM DELIVERY OBLIGATIONS											
Ounces	(000 ozs)	407	394	287	82	82	82	90	128	1,552	801
Average price	($/oz)	310	310	305	340	340	340	357	357	320	327
CALL OPTIONS											
Ounces	(000 ozs)	100	382	302	-	-	-	-	-	784	4,789
Average price	($/oz)	340	352	348	-	-	-	-	-	349	344
VARIABLE VOLUME FORWARDS(ii)											
Variable quantity	(000 ozs)	134	230	122	122	122	122	134	192	1,178	-
Average price	($/oz)	340	340	340	340	340	340	357	357	345	-
TOTAL DELIVERY COMMITMENTS											
Ounces	(000 ozs)	641	1,006	711	204	204	204	224	320	3,514	5,590
Average price	($/oz)	321	333	329	340	340	340	357	357	335	341
DEFERRED INCOME	($M)	14,1	5,7	-	-	-	-	-	-	19,8	37,6

(i) The fixed forward sales expiring on a monthly basis for the period from June 2000 to December 2002 (567,000 ounces) take into account that the hedge counter-parties and the Company have agreed that $8 million from the net proceeds of the expected sale of assets would be paid to the hedge counter-parties, on a priority basis, as security to the fixed forward contracts. This payment would enable to support an average price of $291 per ounce.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

12 - COMMITMENTS AND CONTINGENCIES (continued)

Gold sales (continued)

(ii) The nominal quantities for variable volume forward contracts were established on the basis of a specific gold price ($300/ounce for the 2000, 2001, 2006 and 2007 contracts and $270/ounce for the 2002 to 2005 contracts) as at the test date. The quantities to be delivered could range from 80% of the nominal quantity (if the gold spot price at the test date is $270/ounce or less for the 2000, 2001, 2006 and 2007 contracts and $243/ounce or less for the 2002 to 2005 contracts) to 200% of the nominal quantity (if the gold spot price at the test date is $450/ounce or more for the 2000, 2001, 2006 and 2007 contracts and $405/ounce or more for the 2002 to 2005 contracts).

Certain call options sold (647,000 ounces) and the variable volume forward positions, totaling 984,000 ounces, include a swap of the gold lease rate, for the duration of the contracts. Pursuant to the swap agreements, the Company pays the floating rate and the counter-parties pay a fixed rate of 1.5% to 1.75% per annum.

Since the sale of call options by the Company are made through the simultaneous purchase of put options, the Company has not received any net premium in completing such transactions. Spot deferred and fixed forward contracts are entered into at no cost or premium to either the purchaser or the seller.

Given that the commitments of the Company (including the maximum quantity related to the variable volume forward position and the quantities in relation to the call options sold) potentially exceed the expected gold production for the years 2000 to 2002 by 700,000 ounces of gold, and that, based on the current facilities in place it is not possible to convert the call options sold into spot deferred contracts, the Company has recognized as part of its 1999 restructuring charge an amount of $8,026,000 (Note 10) representing the estimated mark-to-market of the possible excess commitments sold of 700,000 ounces of gold over the expected gold production. The amount of $8,026,000 has been calculated based on the potential excess of gold commitments represented by outstanding call options.

At December 31, 1999, the mark-to-market loss of Cambior's total gold sales commitments was $55,448,000 calculated based on a spot price of $290 per ounce and prevailing market interest rates and gold price volatilities. As described above, an amount of $8,026,000 of this mark-to-market loss was charged to earnings during the year. The difference in the mark-to-market loss of $47,422,000 is attributable to Cambior's hedging position (*i.e.* fixed and variable volume forward contracts and the portion of the written call options not marked-to-market) and is presented as supplemental information only. This value is not accounted for in the books of the Company.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

12 - COMMITMENTS AND CONTINGENCIES (continued)

Base metal sales

The Company also has commitments through forward sales and option contracts for its zinc and copper production. Specifically, the Company is committed to deliver in 2000, through forward sales, 7,200 tonnes of copper at an average price of $1,680 per tonne and to deliver in 2000, 650 tonnes of zinc at an average price of $1,058 per tonne.

The mark-to-market of the hedge contracts as at December 31, 1999 is $7,153,000. As part of the agreement for the sale of the Bouchard-Hébert and Langlois mines, as described in Note 15, the purchaser agreed that the existing base metal hedges relating to the assets in question would be acquired by it as part of the transaction and as such, the portion of the losses attributable to the base metal hedges in place for the period after the expected closing date of May 2000 were reflected in the sale price. This corresponding mark-to-market loss of $6,162,000 was charged to earnings and included in the write-down of mining assets. The remaining mark-to-market loss of $991,000 relates to the portion of the hedge book maturing between January and May 2000, the period in which the Company is still the owner of the zinc mines and will therefore be taken in account in the results of the year 2000.

There is a credit risk concentration with respect to sales of base metals as 95% of such sales (98% in 1998 and 1997), measured by both quantities of base metals and sales prices, were made to Noranda Inc., a party dealing at arm's length with the Company. The amount receivable from this company is included under Settlements receivable and totals $11,891,000 ($6,102,000 in 1998).

Foreign exchange contracts

The Company is committed through foreign exchange contracts to deliver US currency as follows:

	Amount ($)	Average exchange rate (in Cdn $)
Fixed		
2000	109,500	1.4390
Spot deferred[(i)]		
2000	109,739	1.4505
TOTAL	219,239	1.4445

As at December 31, 1999, the mark-to-market loss of the foreign exchange contracts is $417,000. This amount was not accounted for in the Consolidated Statement of earnings as the commitments of the Company to deliver US dollars are treated as a hedge. Gains or losses upon delivery into the foreign exchange contracts are charged to earnings.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

12 - COMMITMENTS AND CONTINGENCIES (continued)

Foreign exchange contracts (continued)

(i) Spot deferred foreign exchange contracts have a delivery date that may be deferred up to June 2003, at the Company's discretion, and their value varies based on time and interest rates.

In 1999, the Company bought back exchange contracts expiring mainly in 2000 and materialized gains of $2,380,000. An amount of $317,000 was recognized in revenues in 1999 and the balance of $2,063,000, shown on the balance sheet as part of deferred gains, will be included in revenues in the year 2000.

Risk of counter-parties

Realization of the Company's hedging program was dependent upon the counter-parties voluntarily agreeing to roll forward maturing short-terms positions, the willingness of the counter-parties to perform under the terms of the contracts and the maintenance of a liquid market. The past willingness of counter-parties to agree to roll forward the Company's short-term positions was an accommodation made by the various counter-parties and not an obligation of those financial institutions. Accordingly, Cambior's hedging program was subject to the significant risk that the counter-parties would cease such roll-forward accommodation. The determination of the counter-parties not to further roll-forward Cambior's short-term positions in October 1999 had a material impact on the Company. The Company seeks to limit its risk by diversifying its transactions with a number of major financial institutions that meet its credit qualifying standards.

Royalties

Production from some mining properties is subject to royalties based on various methods of calculation. The most significant royalty is a 5% in-kind royalty on mineral production from the Omai mine payable to the Government of Guyana, which payments amounted to $4,270,000 in 1999, $4,816,000 in 1998 and $5,607,000 in 1997. The Company is also subject to two royalties on the Mouska mine production, which total payments amounted to $367,000 in 1999, $400,000 in 1998 and $293,000 in 1997, two royalties on the Sleeping Giant mine with no payments made thus far and a 5% net smelter royalty on the Carlota project, upon commencement of commercial production.

In addition, in relation to the purchase of the 50% interest in the Doyon mine, the Company granted to the seller a right to share in the mine's future revenues equivalent to 24.75% of any excess of the average market price for a troy ounce over $375, multiplied by the number of ounces of gold produced by the Doyon mine during the year in question. This right relates to maximum cumulative production of 2,600,000 ounces of gold beginning on January 1, 1998, subject to

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

12 - COMMITMENTS AND CONTINGENCIES (continued)

Royalties (continued)

a maximum cumulative payment to the seller of $30,000,000. No amounts have been paid during the year pursuant to the above described right (Nil in 1998).

Pension plans

The Company contributes to defined contribution and defined benefit pension plans that are funded on the basis of actuarial valuations. These plans cover employees in Canada, the United States, Guyana and expatriate employees and are subject to an actuarial valuation every three years. The most recent valuation was performed on January 1, 1998. As well, senior management of the Company specifically designated by the Board of Directors can participate in a complementary pension plan for Senior Management (CPPSM). The purpose of the CPPSM is to provide these employees with a pension equal to that which would be paid out if the Company's defined benefit pension plan took into account the total base salary of such employees. The CPPSM is not presently funded but the Company reserves the right to contribute to the plan at any time.

The financial position of the defined benefit pension plans as at December 31 is as follows:

	1999	1998
	$	$
Capitalized Pension Plans		
Present value of accrued pension benefits	4,049	2,960
Market value of available net assets	4,516	3,233
Complementary Pension Plan		
Present value of accrued pension benefits	2,454	2,092
Accrual booked to satisfy pension benefits	2,454	1,655

The total pension expense, including the expense related to the defined contribution pension plans amounts to $2,883,000 in 1999 ($2,514,000 in 1998 and $1,531,000 in 1997).

Claims

Omai, a subsidiary of the Company, is a defendant in a variety of legal proceedings in Guyana stemming from a tailings dam failure at the Omai mine in Guyana, in 1995. These proceedings include a class action suit filed in 1998 claiming the Guyanese dollar equivalent of approximately $100 million, and other actions where, in most cases, the amount claimed has not been specified. The Company continues to contest or otherwise resolve these claims and does not believe that amounts to be disbursed in connection with these claims will be material.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

12 - COMMITMENTS AND CONTINGENCIES (continued)

Claims (continued)

In their statement of claim filed with the High Court of the Supreme Court of Judicature of Guyana, the plaintiffs' claims, as they relate to the class action suit, may be summarized as follows: (i) diverse epidemiological complaints ranging from minor itching to more serious lesions to the skin; the details of individual injuries were not stated; (ii) diverse aching joints, feelings of lassitude, loss of libido, vomiting, headaches, loss of memory, burning eyes and eye infections and diminished vision, gastro-intestinal problems and hearing problems; the details of individual injuries were not stated; and (iii) loss of the amenity of the rivers and eco-system (drinking water, cooking water, bathing, washing clothes, recreational purposes (such as swimming), etc).

As regards the Company's obligations relating to Omai's effluent, the compliance thereof with applicable environmental standards achieved 100% during 1999 and the Company has what it believes to be adequate reserves for its potential liability in respect of the prior releases of effluent.

In addition, the Company is subject to various claims, legal proceedings, potential claims and complaints arising in the normal course of business. The Company is also subject to the possibility of new income tax and mining duty assessments for some years. The Company does not believe that unfavourable decisions in any pending procedures or the threat of procedures related to any future assessment or any amount it might be required to pay will have a negative impact on its future financial position or operating results.

Year 2000

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 that use certain dates in 1999 to represent something other than a date. While the Year 2000 Issue has been addressed without problem, all aspects of the Year 2000 Issue, including those related to clients, suppliers and other third parties, cannot be presumed to have been entirely resolved.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

13 - JOINT VENTURES

The following accounts represent the Company's proportionate interest in the following joint ventures: Doyon mine (50% in 1997), Niobec mine (50%), Sleeping Giant mine (50%), Silidor mine (45% in 1997) and Pachon project (50%).

	1999	1998	1997
	$	$	$
Current assets	6,218	6,393	9,218
Property, plant and equipment	32,432	35,028	95,776
Current liabilities	(2,191)	(1,665)	(5,669)
Other liabilities	(197)	(111)	-
	36,262	39,645	99,325
Revenues	29,146	29,161	63,742
Expenses	(26,366)	(19,334)	(53,786)
Net earnings	2,780	9,827	9,956
Cash flows from (used in)			
Operating activities	11,405	14,654	18,001
Financing activities	-	-	-
Investing activities	(4,323)	(4,372)	(17,346)

14 - SEGMENTED INFORMATION

Essentially all of Cambior's operations are within the mining industry. On January 1, 1998, the Company adopted the presentation of its internal financial information according to the following sectors of activity: the Canadian Shield (Canada) and the Guiana Shield (French Guiana, Guyana and Suriname). The other sectors group the Northern Cordillera (United States and Mexico), the Andes (Argentina, Chile, Ecuador and Peru) and the Corporate which includes all other activities. Each sector is managed by a different management team. Figures for 1997 have been restated as appropriate.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

14 - SEGMENTED INFORMATION (continued)

	1999				1998				1997			
	Canadian Shield $	Guiana Shield $	Other Sectors $	Total $	Canadian Shield $	Guiana Shield $	Other Sectors $	Total $	Canadian Shield $	Guiana Shield $	Other Sectors $	Total $
Revenues												
Mining operations	212,606	117,422	-	330,028	206,168	135,295	-	341,463	173,141	145,039	1,039	319,219
Investments	-	272	1,547	1,819	60	51	2,019	2,130	72	48	5,027	5,147
	212,606	117,694	1,547	331,847	206,228	135,346	2,019	343,593	173,213	145,087	6,066	324,366
Expenses												
Mining operations and other	156,848	81,188	8,112	246,148	154,660	84,502	7,805	246,967	134,941	89,847	8,800	233,588
Depreciation, depletion and amortization	39,584	32,178	1,093	72,855	33,036	29,663	492	63,191	20,355	29,662	426	50,443
Exploration	1,681	241	6,111	8,033	1,099	830	6,019	7,948	1,186	798	10,848	12,832
Gain on disposal of exploration properties and other	-	(1,643)	487	(1,156)	(4,232)	-	-	(4,232)	-	-	-	-
Financial expenses	-	13,768	(764)	13,004	-	12,849	(2,953)	9,896	197	15,601	(4,683)	11,115
Write-down of investments and mining assets [i]	137,946	55,986	99,317	293,249	2,672	1,799	20,024	24,495	-	-	-	-
Loss on foreign exchange from reduction in net investment	9,175	-	-	9,175	-	-	-	-	-	-	-	-
Restructuring charge	-	22,392	34,895	57,287	-	-	-	-	-	-	-	-
Income taxes and mining duties	-	413	(9,887)	(9,474)	3,959	1,781	(757)	4,983	2,532	2,943	643	6,118
Minority interest	-	694	-	694	-	1,801	-	1,801	-	3,200	-	3,200
	345,234	205,217	139,364	689,815	191,194	133,225	30,630	355,049	159,211	142,051	16,034	317,296
Net earnings (loss)	(132,628)	(87,523)	(137,817)	(357,968)	15,034	2,121	(28,611)	(11,456)	14,002	3,036	(9,968)	7,070
Depreciation, depletion and amortization	39,584	32,178	1,093	72,855	33,036	29,663	492	63,191	20,355	29,662	426	50,443
Write-down of investments and mining assets	137,946	55,831	99,472	293,249	2,672	1,544	19,779	23,995	-	-	-	-
Deferred gains	(2,141)	(15,699)	2,063	(15,777)	2,793	2,004	-	4,797	2,015	30,744	-	32,759
Income tax benefit and deferred mining duties and income taxes	-	413	(10,776)	(10,363)	3,583	1,781	(1,500)	3,864	2,368	2,943	(87)	5,224
Minority interest	-	694	-	694	-	1,801	-	1,801	-	3,200	-	3,200
Restructuring charge	-	7,879	14,143	22,022	-	-	-	-	-	-	-	-
Other non-cash items	12,321	(1,310)	1,083	12,094	(1,341)	225	528	(588)	1,863	-	1,086	2,949
Cash flows from (used in) operations	55,082	(7,537)	(30,739)	16,806	55,777	39,139	(9,312)	85,604	40,603	69,585	(8,543)	101,645
Cash flows used in investing activities [ii]	35,013	20,520	15,870	71,403	134,209	24,235	24,410	182,854	33,881	23,388	43,749	101,018
Property, plant and equipment [iii]	227,309	150,160	79,171	456,640	348,542	215,861	162,524	726,927	267,473	224,377	155,824	647,674
Total assets [iv]	250,703	171,493	99,478	521,674	369,926	243,201	195,761	808,888	293,897	251,968	218,927	764,792

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

14 - SEGMENTED INFORMATION (continued)

	1999	1998	1997
	$	$	$
(i) Write-down of investments and mining assets for the other sectors			
Northern Cordillera and Andes	94,845	13,914	-
Corporate	4,472	6,110	-
	99,317	20,024	-
(ii) Cash flows used in investing activities for the other sectors			
Northern Cordillera and Andes	16,157	19,704	37,613
Corporate	(287)	4,706	6,136
	15,870	24,410	43,749
(iii) Property, plant and equipment for the other sectors			
Northern Cordillera and Andes	78,771	157,697	151,782
Corporate	400	4,827	4,042
	79,171	162,524	155,824
(iv) Total assets for the other sectors			
Northern Cordillera and Andes	79,727	163,945	181,842
Corporate	19,751	31,816	37,085
	99,478	195,761	218,927

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

15 - SUBSEQUENT EVENTS

Sale of the Bouchard-Hébert and Langlois mines

Cambior concluded on March 14, 2000, an Asset Sale and Purchase Agreement with Breakwater Resources Ltd. ("Breakwater") for the sale of the Bouchard-Hébert and Langlois mining operations located in the Abitibi region of Northwestern Québec with related net working capital and metal hedging obligations, for a cash consideration of $48,000,000. Breakwater provided a down payment deposit of $2,000,000 in support of this transaction and the remainder of the purchase price was paid in cash at closing on May 17, 2000. Cambior obtained written consents and the discharge of security interests in the Bouchard-Hébert and Langlois mines from its Financial Creditors and written consents to the assignment of base metal hedging and other material contracts in favor of Breakwater. Proceeds from this sale were applied to reduce Cambior's indebtedness. A gain of $486,000 relating to this transaction was included in results of discontinued operations in 2000.

Private Placement with Jipangu Inc.

On May 5, 2000, Cambior concluded a $5,000,000 private placement with Jipangu Inc. ("Jipangu"). Jipangu subscribed for 5,000,000 common shares and 5,000,000 common share purchase warrants ("Warrants"), each Warrant entitling Jipangu to subscribe for one additional common share at a price of US $1.08 per share (CAN $1.60 per share) until October 31, 2001. The subscription price was $1.00 (CAN $1.47) per common share and Warrant and the aggregate proceeds from the private placement were applied to reduce Cambior's indebtedness.

Sale of Cambior de Mexico, S.A. de C.V.

On May 8, 2000, Cambior sold its 100% participation in the shares of Cambior de Mexico, S.A. de C.V. ("Cambior Mexico"), Cambior's Mexican holding company, to Glamis Gold Ltd. ("Glamis"). Glamis also purchased from Cambior a crusher system originally acquired by Cambior for use at the Cerro San Pedro Project in Mexico. Cambior received cash proceeds of $9,500,000 from Glamis of which $7,000,000 is attributed to the shares of Cambior Mexico and $2,500,000 to the crushing plant. Proceeds from this sale were applied to reduce Cambior's indebtedness. A loss of $554,000 relating to this transaction was charged to operations in 2000.

Cambior Mexico's assets included 50% of Minera San Xavier, S.A. de C.V., which owns the Cerro San Pedro gold and silver project in San Luis Potosi, 100% of Cambior Metates, S.A. de C.V., which owns a 50% interest in the Metates gold project in the State of Durango, and a variety of gold exploration projects in Mexico.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

15 - SUBSEQUENT EVENTS (continued)

Mortgage Loan on Cambior's 50% Interest in the Niobec Mine

On June 30, 2000, Cambior closed mortgage loans on its 50% interest in the Niobec mine for an aggregate of $13,000,000 from Jipangu (as to $10,000,000) and a financial institution (as to $3,000,000). The aggregate proceeds of these loans, together with the proceeds from the above-described asset sales and private placement, and with a portion of Cambior's available cash, enabled the Company to meet its $75,000,000 repayment obligation by June 30, 2000. Such loans are for a 4.5 year-term and bear interest at a *per annum* rate of LIBOR plus 250 basis points. Repayments are in quarterly installments commencing on March 30, 2001, and ending on December 31, 2004.

In connection with this mortgage loan, Jipangu received its facility fees through the issuance of 2,500,000 common share purchase warrants, each such warrant conferring upon Jipangu the right to purchase one (1) common share of Cambior at a price of $0.75 on or before December 31, 2000. The financial institution received its facility fees in cash.

Sale of the La Granja Copper Project

On November 27, 2000, Cambior announced the sale of its indirect 100% interest in the La Granja copper project in northern Peru to Billiton Investment 9 B.V. ("Billiton"), a wholly-owned subsidiary of Billiton Plc, for a consideration of $35,000,000. The closing of that sale occurred on December 8, 2000 and the proceeds therefrom were entirely applied to reduce Cambior's indebtedness. A loss of $9,881,000 relating to this transaction was included in results from discontinued operations in 2000.

Partial Repayment of Jipangu's Mortgage Loan with Proceeds of a Private Placement

Cambior announced on December 21, 2000 that Jipangu agreed to conclude a $6,300,000 private placement for the subscription of 15,000,000 common shares of Cambior at a price of US $0.42 per share. This private placement closed on January 18, 2001 and proceeds therefrom were used to repay in part Jipangu's $10,000,000 mortgage loan in respect of Cambior's 50% interest in the Niobec mine and, accordingly, said mortgage loan was reduced to $3,700,000.

15 - SUBSEQUENT EVENTS (continued)

Completion of the Financial Restructuring

On January 12, 2001, Cambior completed its financial restructuring with the simultaneous closing of a $65,000,000 credit facility and a $55,000,000 prepaid gold forward sale. The aggregate proceeds of the credit facility and the prepaid gold forward sale were used to refinance Cambior's remaining bank debt.

The $65,000,000 five-year credit facility consists of a $55,000,000 non-revolving term loan and a $10,000,000 revolving credit facility, and bears interest at LIBOR + 3.00% until March 31, 2001. From then on, the interest spread will vary from 2.0% to 3.0% based on certain financial ratios. The minimum repayments of the facility are $5,000,000 in each of 2001 and 2002, $20,000,000 in each of 2003 and 2004 and $15,000,000 in 2005. The facility also provided for a 2% upfront fee.

This credit facility contains certain covenants, including a mandatory hedging program, which provides that Cambior's commitments to deliver gold will not, at anytime, exceed 90% of its total proven and probable reserves. It further requires that, after March 31, 2001, Cambior will be required to have hedges in place on a minimum of 70% of the forecasted loan life production in order to establish an average minimum gold price of $295/oz on all production, including the impact of the prepaid gold forward sale. As part of the mandatory hedging program, Cambior will have the right to roll forward its contracts up to the final maturity date of the loan. In addition, the hedging facility will not be subject to margin calls.

As part of the transaction, Cambior issued to the banking syndicate 1,300,000 million warrants to purchase common shares of Cambior at $0.37 per share (Cdn $0.56 per share). The warrants are exercisable at any time on or before December 31, 2005.

Cambior has also entered into a $55,000,000 prepaid gold forward sale of 233,685 ounces of gold to be delivered on the last business day of each month from July 2001 to December 2005. This instrument is subject to a 2% establishment fee of the principal amount and will be accounted for as deferred revenue.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

16 - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CANADA AND THE UNITED STATES

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada, which differ substantially in certain material respects from those principles that the Company would have followed had its consolidated financial statements been prepared in accordance with GAAP in the United States.

The major adjustments to comply with GAAP in the United States would be as follows:

Consolidated statement of earnings	**1999**	**1998**	**1997**
	$ (restated)	**$ (restated)**	**$ (restated)**
Net earnings (loss) as per GAAP in Canada	(357,968)	(11,456)	7,070
Write-down of mining assets[(a)(b)]	(41,925)	(7,075)	-
Variation in the determination of income taxes for the year [(c)]	(9,213)	1,605	(2,185)
Exchange loss[(d)]	(9,986)	-	-
Unrealized gain (loss) on forward exchange contracts[(e)]	33,079	(29,914)	(11,916)
Unrealized gain (loss) on options[(f)]	16,226	(2,300)	(4,400)
Unrealized loss on variable volume forward sales[(g)]	(26,800)	-	-
Mining properties[(h)]	19,700	7,836	(11,988)
Net loss as per GAAP in the United States	(376,887)	(41,304)	(23,419)
Earnings (Loss) per share as per GAAP in the United States:			
Continuing operations	(2.66)	(0.51)	(0.41)
Discontinued operations[(i)]	(2.68)	(0.09)	0.02
Total	(5.34)	(0.60)	(0.39)

The fully diluted loss per share has not been presented since the options do not constitute a dilution factor.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

16 - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CANADA AND THE UNITED STATES (continued)

Consolidated balance sheets

The consolidated balance sheet items, adjusted to comply with GAAP in the United States, would have been as follows:

	December 31, 1999		December 31, 1999	December 31, 1998		December 31, 1998
	As per GAAP in Canada	Adjustments	As per GAAP in the United States	As per GAAP in Canada	Adjustments	As per GAAP in the United States
	$	$	$ (restated)	$	$	$ (restated)
Assets						
Long-term investments	1,310	15,000 (j) 2,924 (k)	19,234	5,353	20,154 (j) (8) (k)	25,499
Property, plant and equipment	456,640	(15,000) (j) (41,925) (a) (7,075) (b) (17,477) (h)	375,163	726,927	(20,154) (j) (7,075) (b) (37,177) (h)	662,521
Income tax benefit	-		-	412	9,213 (c)	9,625
Current liabilities						
Market value of derivative instruments	8,026	421 (e) 874 (f) 26,800 (g)	36,121	-	33,500 (e) 17,100 (f)	50,600
Shareholders' equity						
Capital stock	204,961	(19,923) (m) 6,753 (n)	191,791	204,961	(19,923) (m) 6,753 (n)	191,791
Contributed surplus	361,542	11,626 (n)	373,168	361,542	11,626 (n)	373,168
Retained earnings (Deficit)	(338,620)	(83,501)	(422,121)	21,112	(64,582)	(43,470)
Changes in market value of investments	-	2,924 (k)	2,924	-	(8) (k)	(8)
Cumulative translation adjustment	(8,754)	9,986 (d) (19,513) (n)	(18,281)	(38,080)	(19,513) (n)	(57,593)

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

16 - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CANADA AND THE UNITED STATES (continued)

Consolidated balance sheets (continued)

As discussed in notes 16A (e), (f) and (h), the Company restated certain figures during the years 1999 and 1998 which impact is presented below:

	1999	1998	1997
Net loss as per U.S. GAAP, as previously reported	(396,587)	(46,840)	4,885
Unrealized loss on forward exchange contracts (e)	-	-	(11,916)
Unrealized loss on options (f)	-	(2,300)	(4,400)
Mining properties (h)	19,700	7,836	(11,988)
Net loss as per U.S. GAAP, as restated	(376,887)	(41,304)	(23,419)
Earnings (loss) per share as per U.S. GAAP, as previously reported	(5.62)	(0.67)	0.08
Unrealized loss on forward exchange contracts	-	-	(0.20)
Unrealized loss on options	-	(0.04)	(0.07)
Mining properties	0.28	0.11	(0.20)
Earnings (loss) per share as per U.S. GAAP, as restated	(5.34)	(0.60)	(0.39)

(a) Write-down of mining assets

Following the periodic evaluation of the carrying amount of the Company's property, plant and equipment referred to in notes 2 and 5, an additional write-down under GAAP in the United States in the amount of $41,925,000 is required as a result of discounting cash flows from impaired properties.

(b) *Write-down of carrying amount*

In 1998, the purchase price of the Doyon mine included a write-down of the carrying amount of the Vezina mill.

Under GAAP in the United States, the write-down of assets of the purchaser, following a purchase, in the amount of $7,075,000, must be included in earnings for the year.

(c) *Deferred income and mining taxes*

Under U.S. GAAP, the Company recognized a tax asset in 1994; under Canadian GAAP, the recognition of this asset occurs only when the Company claims tax depreciation. In 1998, the variation in the determination of income taxes for the year also included the impact of income taxes on the write-down of assets as noted in (b). In 1999, a valuation allowance was recorded for all tax assets.

16 - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CANADA AND THE UNITED STATES (continued)

(d) Exchange loss

The Company has recognized an exchange loss as a result of the reduction in the net investment in Canadian mining operations. Under U.S. GAAP, the amount of this exchange loss differs since the translation adjustment account balance is higher. This variation in account balance was created in the past when the Company realized gains on the reduction in net investment in foreign subsidiary as per Canadian GAAP; under U.S. GAAP, adjustments to the equity translation account were made only when there was a reduction in ownership as a result of a sale of a portion of the ownership to a third party.

(e) *Unrealized gain (loss) on forward exchange contract*

Gains and losses on forward exchange contracts are not charged to income until maturity of the contracts. Under U.S. GAAP, unrealized gains and losses, except in certain circumstances, are charged to income as they are recognized. In 1998, the Company restated its figures accordingly.

Before 1998, the Company improperly accounted for its forward exchange contracts using hedge accounting. The 1997 figures have been restated to account properly for the forward exchange contracts. Accordingly, the Company accounted for an additional expense of $11,916,000 in 1997 ($0.20 per share). Retained earnings as at January 1st, 1997 increased by $3,586,000.

(f) Unrealized gain (loss) on options

Purchase options sold are accounted for using hedge accounting and changes in market value are deferred until the scheduled delivery date. Under U.S. GAAP, purchase options sold are accounted for at the estimated market value and the corresponding increase or decrease in value is charged to earnings. In the past the Company improperly accounted for the options using hedge accounting. The prior years' figures have been restated to properly account for the purchase options. Accordingly, the Company increased its net loss by $2,300,000 in 1998 and $4,400,000 in 1997, net of income taxes of $1,100,000 in 1998 and $1,800,000 in 1997. The net loss per share was increased by $0.03 in 1998 and $0.07 in 1997. Retained earnings as at January 1, 1997 decreased by $5,325,000 net of $2,175,000 of income taxes. The estimated value of these options will be affected in the future by the market price of gold, the term until expiry of the options, volatility of gold prices and market interest rates on the valuation date.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

16 - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CANADA AND THE UNITED STATES (continued)

(g) Unrealized loss on variable volume forward sales

Variable volume forward sales are accounted for using hedge accounting and changes in market values are deferred until the scheduled delivery date. Under U.S. GAAP, these variable volume forward sales are accounted for at the estimated market value and the corresponding increase or decrease in value is accounted for in earnings. The market value of variable volume forward sales will be affected in the future by the market price of gold, the term before the scheduled delivery date, volatility of gold prices and market interest rates on the valuation date.

(h) Mining properties

The Company reviewed the classification of all of its mining projects in accordance with the United States Securities and Exchange Commission guidelines. Some projects that were improperly considered as development stage were reclassified as exploration stage. These projects are the following: Gross Rosebel in Suriname, Yaou Dorlin in French Guiana, Huamachuco in Peru and Metates in Mexico. Because of their classification as exploration stage properties, the related capitalized costs were expensed under US GAAP. The prior years' figures have been restated to properly account for costs relating to mining properties. Accordingly, the Company decreased its net loss by $19,700,000 in 1999 and $7,836,000 in 1998 and increased its net loss by $11,988,000 in 1997. The net loss per share was decreased by $0.28 in 1999 and $0.11 in 1998 and increased by $0.20 in 1997. Retained earnings as at January 1, 1997 decreased by $33,025,000.

(i) Discontinued operations

The Company did not account for discontinued operations in respect of its base metal sector (see note 1) since the decision to abandon this sector of activities was taken subsequent to year-end. Under U.S. GAAP, if the decision is taken after year-end but before publication of the financial statements, financial information should reflect the discontinued operations.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

16 - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CANADA AND THE UNITED STATES (continued)

(i) Discontinued operations (continued)

Assets and liabilities relating to the discontinued operations are detailed as follows:

	December 31, 1999	December 31, 1998
Current assets		
Cash	2	1,364
Settlement receivable and other account receivable	12,516	9,099
Supplies inventory	3,251	3,431
Prepaid expenses	382	1,180
	16,151	15,074
Property, plant and equipment	107,435	292,309
Income tax benefit	-	2,178
Current liabilities		
Account payable and accrued liabilities	6,215	6,849
Long-term debt	795	470
Provision for environmental obligations	2,462	1,394
Differed mining and income taxes	-	3,220

Revenues from discontinued operations amounted to $102,887,000 in 1999, $89,460,000 in 1998 and $95,981,000 in 1997.

Loss relating to the discontinued operations are detailed as follows:

	1999	**1998**	**1997**
	$ (restated)	**$ (restated)**	**$ (restated)**
Loss before discontinued operations	(187,501)	(35,453)	(24,930)
Earnings (Loss) from discontinued operations	(51,000)	(5,851)	1,511
Estimated loss from disposal	(138,386)	-	-
Net loss as per GAAP in the United States	(376,887)	(41,304)	(23,419)

At the end of the third quarter of 2000, the Company reviewed its expected disposal dates as follows:

Bouchard-Hébert and Langlois mines	Early in May 2000
La Granja	Fourth quarter of 2000
Carlota	Third quarter 2001
El Pachon	Third quarter 2001

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

16 - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CANADA AND THE UNITED STATES (continued)

(i) Discontinued operations (continued)

The estimated loss from disposal as at December 31, 1999 amounted to $138,386,000, including a loss on foreign exchange of $9,986,000 resulting from a reduction in the Company's net investment. The remaining amount of $128,400,000 is detailed as follows:

	Bouchard-Hébert and Langlois $	La Granja $	Pachon and Carlota $	Total $
Carrying value,prior to writedown	157,000,000	56,200,000	82,700,000	295,900,000
Writedown attributable to cash flow anaysis	(60,000,100) [1]	-	-	(60,100,000)
Writedown to expected net realizable value	(57,700,000) [2]	(18,000,000) [3]	(52,700,000) [3]	(128,400,000)
Expected net realizable value	39,200,000	38,200,000	30,000,000	107,400,000

(1) This amount represents the writedown attributable to discounted estimated future cash flows resulting from lower reserves at the Langlois mine.

(2) This amount has been determined based on the March 2000 sale agreement with Breakwater Resources Ltd. as described in Note 15.

(3) This amount takes into account price indications received from various parties that performed due diligence in connection with their consideration of the possible purchase of these assets. As described in Note 15, the La Granja project was sold in December 2000 for total proceeds of $35,000,000. No sale agreement has been entered into as of February 14, 2001 regarding the Pachon and Carlota projects.

(j) *Incorporated joint ventures*

The Company's investment in a joint venture has been proportionately consolidated under GAAP in Canada. Incorporated joint ventures must be accounted for by the equity method under GAAP in the United States.

(k) *Long-term Investments*

Investments in shares of public companies and debt securities are recorded at cost, less any provision for decrease in value other than a temporary decline. Under U.S. GAAP, the Company is required to record investments available-for-sale at fair value and has presented the unrealized gains or losses as a component of other comprehensive income under shareholders' equity.

(l) Market value of derivative instruments

In Canada, the unrealized losses on options totalling $8 million as at December 31, 1999 is disclosed on the balance sheets as part of provision for restructuring charge. In the United States, the impact of the unrealized gain/loss on forward exchange contracts, the options and the variable volume forward sales is disclosed under "Market Value of Derivative Instruments".

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

16 - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CANADA AND THE UNITED STATES (continued)

(m) *Share issue expenses*

Share issue expenses are shown as a reduction in retained earnings as provided for under GAAP in Canada. Under GAAP in the United States, these expenses must be shown as a reduction in capital stock.

(n) *Change in reporting currency*

The Company adopted the US dollar as its reporting currency effective January 1, 1996. Under GAAP in the United States, prior years' financial statements must be translated by the current rate method using the year-end rate or the rate in effect at the transaction dates, as appropriate. This translation approach has been applied retroactively.

B. CONSOLIDATED COMPREHENSIVE INCOME

The statement of consolidated comprehensive income is as follows:

	1999 $ (restated)	1998 $ (restated)	1997 $ (restated)
Net loss as per GAAP in the United States	(376,887)	(41,304)	(23,419)
Other comprehensive income			
Cumulative translation adjustment	39,312	(24,640)	(12,566)
Unrealized gain (loss) on investments	2,932	339	(559)
Consolidated comprehensive income	(334,643)	(65,605)	(36,544)

Changes in items of the other comprehensive income are as follows:

	Balance at Beginning $	Changes During year $	Balance at End $
1999			
Cumulative translation adjustment	(57,593)	39,312	(18,281)
Unrealized gain (loss) on investments	(8)	2,932	2,924
Other cumulative comprehensive income	(57,601)	42,244	(15,357)
1998			
Cumulative translation adjustment	(32,953)	(24,640)	(57,593)
Unrealized gain (loss) on investments	(347)	339	(8)
Other cumulative comprehensive income	(33,300)	(24,301)	(57,601)
1997			
Cumulative translation adjustment	(20,387)	(12,566)	(32,953)
Unrealized gain (loss) on investments	212	(559)	(347)
Other cumulative comprehensive income	(20,175)	(13,125)	(33,300)

No income taxes are applicable to items constituting other comprehensive income.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

16 - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CANADA AND THE UNITED STATES (continued)

C. ACCOUNTING FOR COMPENSATION PLANS

The Company measures compensation costs related to awards of stock options using the intrinsic value based method of accounting. Under GAAP in the United States, the Company is also required to make pro forma disclosures of net earnings, earnings per share and diluted earnings per share as if the fair value based method of accounting had been applied. The fair value of options granted was estimated using the Black-Scholes option-pricing model, taking into account an expected life of 5 years, a semi-annual risk-free rate of 5.09 % in 1999 (5.22% in 1998 and 6.06% in 1997) and a volatility of 45 % in 1999 (43% in 1998 and 35% in 1997). A compensation charge is charged off on the vested period.

Accordingly, the Company's net loss, loss per share and diluted loss per share for the year ended December 31, 1999, 1998 and 1997 would have been increased on a pro forma basis as follows:

	1999		1998		1997	
	Actual	*Pro forma*	*Actual*	*Pro forma*	*Actual*	*Pro forma*
Net loss	(376,887)	(379,275)	(41,304)	(44,113)	(23,419)	(26,416)
Loss per share	(5.34)	(5.37)	(0.60)	(0.64)	(0.39)	(0.44)
Diluted loss per share	(5.34)	(5.37)	(0.60)	(0.64)	(0.39)	(0.44)

The weighted average fair value of options granted in 1999 was $1.78 ($2.92 in 1998 and $4.43 in 1997).

D. INCOME TAX INFORMATION AS PER GAAP IN THE UNITED STATES

Deferred tax assets adjusted to comply with U.S. GAAP disclosure requirements, would have been as follows :

	1999			1998		
	Canada	**U.S. and other**	**Total**	**Canada**	**U.S. and other**	**Total**
Deferred tax assets:						
Net operating loss	2,600	33,400	36,000	2,300	38,825	41,125
Unrealized losses on derivative instruments	13,800	-	13,800	19,400	-	19,400
Difference between book and tax depreciation and depletion	75,300	22,800	98,100	4,600	-	4,600
Accrued liabilities	4,200	-	4,200	3,400	-	3,400
Other tax assets	800	-	800	800	-	800
Total deferred tax assets before valuation allowance	96,700	56,200	152,900	30,500	38,825	69,325
Valuation allowance for deferred tax assets	(96,700)	(56,200)	(152,900)	(30,500)	(29,200)	(59,700)
Total deferred tax assets	-	-	-	-	9,625	9,625

The net increase in the valuation allowance for deferred tax assets was $93.2 million for 1999.

CAMBIOR INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts are expressed in United States dollars except where otherwise indicated; amounts in tables are presented in thousands of US dollars.)

16 - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CANADA AND THE UNITED STATES (continued)

E. STANDARD APPLICABLE FOR THE YEAR 2000

- Accounting for derivative and hedging activities

  In 1998, FASB Statement 133 “Accounting for Derivative Instruments and Hedging Activities” was issued. This standard requires its to be adopted for fiscal years beginning after June 15, 2000. The Company has not yet determined the impact of this standard.

- Accounting for employee future benefits

  In 1998, the CICA issued a new accounting standard concerning accounting for employee future benefits. Under Canadian GAAP, the Company is required to adopt this standard for the fiscal year beginning in 2000. As at December 31, 1999, the Company has not applied the portion of the standard relating to pension plans and has not yet determined how this portion of the standard will be applied.

Item 18. Financial Statements.

Not applicable.

Item 19. Financial Statements and Exhibits

A. Financial Statements filed as part of this Annual Report on Form 20-F under Item 17 above

Index to Financial Statements appears on the first page thereon.

B. Exhibits filed as part of this Annual Report on Form 20-F

See Index to Exhibits.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

CAMBIOR INC.
(Registrant)

By: *(s) Marc Dagenais*
Name: Marc Dagenais
Title: Vice President, Legal Affairs
and Corporate Secretary

Date: March 13, 2001

INDEX TO EXHIBITS

Exhibit Number	**Exhibit**
1(1)	Articles of Incorporation[(1)]
1(2)	By-laws of Cambior Inc.[(1)]
2(i)(1)	Specimen certificate representing common shares of Cambior Inc.[(1)]
2(i)(2)	Shareholder Protection Rights Plan Agreement dated as of March 26, 1993 and Amended and Restated as of March 20, 1998 between Cambior Inc. and Montreal Trust Company as Rights Agent.[(1)]
2(ii)(1)	Standstill Agreement dated as of October 27, 1999 among Cambior Inc., as Borrower, The Chase Manhattan Bank of Canada, as Administrative Agent and The Bank of Nova Scotia, as Syndicated Agent on behalf of themselves and the Lenders under the Credit Agreement and each of the persons listed on the execution pages thereto under the “Hedge Providers” heading.[(1)]
2(ii)(2)	Amended and Restated Credit Agreement dated as of December 22, 1999 among Cambior Inc. as Borrower and The Financial Institutions named on the signature pages thereof as Lenders, The Chase Manhattan Bank of Canada as Administrative Agent and the Bank of Nova Scotia as Syndication Agent.[(1)]
2(ii)(3)	Restructuring Agreement dated as of December 22, 1999 among Cambior Inc. as Borrower and The Chase Manhattan Bank of Canada as Administrative Agent, and The Bank of Nova Scotia as Syndication Agent, and each of the persons listed on the execution pages thereto under the “Lenders” heading and each of the persons listed on the execution pages thereto under the “Hedge Providers” heading.[(1)]
2(ii)(4)	US$10,000,000 Limited Recourse Reducing Term Credit Facility effective June 30, 2000 between Jipangu Inc., as Lender, and Cambior Inc., as Borrower.[(1)]
2(ii)(5)	US$3,000,000 Term Credit Facility effective June 30, 2000 between National Bank of Canada, as Lender, and Cambior Inc., as Borrower.[(1)]
2(ii)(6)	Amended and Restated Restructuring Agreement dated as of December 14, 2000 among Cambior Inc. as borrower, The Chase Manhattan Bank of Canada as Administrative and Collateral Agent, the Bank of Nova Scotia as Syndication

Agent and each of the persons listed on the execution pages thereto under the "Lenders" and the "Hedge Providers" headings, and Crédit Suisse First Boston International as Prepaid Forward Counterparty.[2]

2(ii)(7)	Second Amended and Restated Credit Agreement dated as of December 14, 2000 among Cambior Inc. as borrower, The Financial Institutions named on the signature pages thereof as Lenders, The Chase Manhattan Bank of Canada as Administrative Agent and the Bank of Nova Scotia as Syndication Agent.[2]
2(ii)(8)	Confirmation letter entered into between Crédit Suisse First Boston International and Cambior Inc. and dated as of January 11, 2001.[2]
3(i)(1)	Asset Purchase Agreement between Breakwater Resources Ltd. and Cambior Inc. made as of March 14, 2000.[1]
3(i)(2)	Subscription Agreement executed May 2, 2000 between Cambior Inc. and Jipangu Inc.[1]
3(i)(3)	Share Purchase Agreement made and effective as of May 9, 2000 between Cambior Inc. and Glamis Gold Ltd.[1]
3(i)(4)	Share Purchase Agreement among Cambior Inc. and SMLG Holdings (Barbados) Inc. and Billiton Investment 9 B.V made as of September 15, 2000.[2]
3(i)(5)	Subscription Agreement executed December 21, 2000 between Cambior Inc. and Jipangu Inc.[2]

(1) These Exhibits were filed with Annual Report on Form 20-F dated September 29,2000.

(2) These Exhibits are filed with this Amended Annual Report on Form 20-F.