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BREAKWATER RESOURCES LTD.GOLDBELT MINES INC.Share Exchange Offer Details History, Program and Reserves On Wenatchee Gold Project

Breakwater Resources Ltd., effective Sept. 15, 1982 offered to exchange one of its treasury shares for each four issued shares of Goldbelt Mines Inc. up to a maximum of 68% of the issued shares of Goldbelt Mines Inc. The offer is open for acceptance until 4:00 p.m., local time at the office of The Canada Trust Company, Vancouver until Oct. 15, 1982, unless extended. It is subject to the tendering of not less than 60% of the issued shares. This condition may be waived by Breakwater.

If Breakwater acquires a significant portion of the Goldbelt shares then Breakwater intends to assist in financing the placing into production of Goldbelt's Salmo gold mine in B.C. if mineral prices are favourable. Goldbelt is indebted to its creditors in the approximate amount of \$220,000 excluding approximately \$550,000 of indebtedness to its bank. Following the take-over of Goldbelt, if successful, Breakwater will negotiate with the creditors of Goldbelt to settle the amounts outstanding. Negotiations have started with the bank. Funds advanced to Goldbelt will be in the form of shareholder's loans from Breakwater to be repaid on a basis to be determined in negotiations. At Sept. 15, 1982 Breakwater had 3,902,292 shares issued and plans to issue a maximum of 600,000 shares in the acquisition of Goldbelt shares.

Breakwater is entitled to a 35% participating interest in 475 acres of mineral properties in Chelan county, Washington (the Wenatchee Gold project) from Asamera Minerals (U.S.) Inc. which holds a 55% participating interest in the properties. Goldbelt holds the remaining 10% participating interest. The Wenatchee Gold Project is in central Washington approximately two miles south of Wenatchee, Washington and readily accessible by road. The project is held by a 99 year lease from the landowners who are entitled to a production royalty of 10% of net smelter returns. Minimum advance royalties of \$15,750 U.S. per month are payable to the landowners.

The Wenatchee Gold project has been the subject of intermittent exploration, development and gold production by at least six owner/operators since 1885. From 1885 to 1949, recorded production of direct shipping ore totalled approximately 27,000 tons grading from 1.3 oz. gold per ton to 0.6 oz. gold per ton. From 1949 to 1967 the Lovitt Mining Company placed the property into continuous production and produced more than 1,000,000 tons from the D reef deposit averaging 0.4 oz. gold per ton and 0.6 oz. silver per ton. From 1956 to 1966, Lovitt Mining Company mined 5,200 tons from B reef deposit averaging 0.33 oz. gold per ton and 0.19 oz. silver per ton. Lovitt Mining Company also took muck samples in most of the B reef work and drilled and sampled 157 percussion holes to outline the deposit. In 1975, Cyprus Exploration Company carried out an extensive evaluation program involving an induced polarization survey, surface rotary and diamond drilling sampling. The program was taken over by the Cyprus Technical Services Group in 1976 who continued with a heavy work commitment which resulted in favourable ore reserve calculations.

In an August 18, 1982 report C.M. Armstrong, P. Eng. presented the following mineral reserve calculations:

Deposit	CATEGORY TONS			Tons	Oz. Gold/T
	Drill Proven	Drill Probable	Drill Possible		
B Reef	650,000	200,000	150,000	1,000,000	0.13
B West Reef	375,000	375,000	475,000	1,225,000	.16
Total Tons	1,025,000	575,000	625,000	2,225,000	0.15

Asamera is the operator of the project and is presently carrying out percussion rig drilling diamond drilling, mine development and preparation of feasibility studies at a budgeted cost for 1982 of \$650,000 Canadian to Breakwater.

To date, Breakwater has expended approximately \$350,000 Canadian on its share of the exploration and development expenditures, which funds have been advanced on behalf of Breakwater by shareholders. The budgeted balance of 1982 expenditures including Goldbelt's 10% share require from Breakwater is estimated at \$300,000 Canadian.

Breakwater intends to raise funds to repay advances made by shareholders to acquire the Wenatchee project, to pay budgeted balance of 1982 expenditures, to provide a reserve for payment of Goldbelt creditors if the offer is successful and to provide working capital by offering for sale a unit, consisting of one share and two share purchase warrants, through a statement of material facts.