

WESTPINE METALS LTD. THIRD QUARTER REPORT 1990

TO OUR SHAREHOLDERS

I am pleased to report that shareholders approved the option agreement with ASARCO Exploration Company of Canada, Limited at the Extraordinary General Meeting, which was held on September 27, 1990.

Under the terms of the agreement, ASARCO can earn a 60% interest in the Taseko copper-gold property on completion of expenditures of \$3.65 million and option payments to Westpine totalling \$344,000 by January 15, 1994. Minimum yearly work commitments under the agreement are:

<u>Year</u>	<u>Work Commitment</u>
1990	\$ 300,000
1991	750,000
1992	1,000,000
1993	<u>1,600,000</u>
	\$3,650,000

Expenditures by ASARCO have been \$485,000 this year. Westpine has now vested a 25% interest in the Taseko property in accordance with the underlying agreements. When the December 31, 1990 option payment is made, Westpine will have vested a 51% interest. In order for Westpine to earn a 100% interest in the property, about \$340,000 in exploration expenditures must be made over the next two years and \$125,000 paid by Westpine to the property owner.

After ASARCO vests a 60% participating interest, Westpine will retain a 40% participating interest in the ongoing joint venture under the direction of a joint management committee.

The agreement provides that in the event of dilution of the Westpine interest to 10% through not providing the required funds, the Westpine interest will automatically convert to a 5% net profits royalty until payback to ASARCO and 20% net profits royalty thereafter with an annual minimum royalty of \$200,000 payable to Westpine after the commencement of commercial production.

Corporate

History

- * Westpine incorporates in March, 1989 and acquires option to earn 100% interest in B.C.'s Taseko copper-gold property.
- * \$1.1 million raised in initial public financing in August, 1989. 16 diamond drill holes are completed by the end of September.
- * \$4 million agreement signed with ASARCO whereby that company can earn a 60% interest in the Taseko property.
- * \$300,000 is committed to 1990 drill program, which commences on July 1, 1990 and is completed August 8. A total of 12 holes (6,988 feet) are drilled.
- * August 15, 1990, ASARCO approves extension of work program and commits an additional \$200,000 for 3,500 feet of diamond drilling, mapping, prospecting and an airborne magnetometer survey.
- * Best hole to date: W90-17, which assays 1.41% copper and 0.054 opt gold over an 180-foot interval.
- * Additional claims are staked, doubling Westpine's holdings in the area to about 232 units.
- * Analysis of drill assay data will begin in January, 1991 to determine a preliminary mineral inventory.

TASEKO PROPERTY

The Taseko copper/gold/molybdenum property is located in the Clinton Mining Division, British Columbia, 140 miles north of Vancouver. As part of the 1990 exploration and development program, an 11,490 foot, 19-hole diamond drilling program, an airborne magnetometer survey, soil sampling and geological reconnaissance was completed at a cost of \$485,000.00. Significant intersections of copper/gold mineralization were encountered in 12 holes and all assay results have now been received and reported. The best hole of the program, W90-17, intersected 180 feet of 1.41% copper and 0.054 ounce per ton gold, including a 48-foot section assaying 2.27% copper and 0.105 ounce per ton gold.

Although drilling ended for the season on September 12, 1990, ongoing work will include an analysis by Westpine and ASARCO of the drill data in order to determine a preliminary mineral inventory on the drilled portion of the Empress area. This includes an analysis of a 1200 by 1400 foot area of the 76, Upper North and Lower North Zones. The data base and computer model used by ASARCO is being made available for this project. In addition, Westpine is conducting its own in-house data analysis.

The Taseko project covers about four square miles and includes the Buzzer and Empress zones, which are approximately 4,000 feet apart. Several additional targets have been identified by drilling and mapping and potential for finding new zones exists on other target areas.

Market activity in mining and exploration shares has experienced a general downturn and this has presented Westpine with a difficult environment in which to earn investor appreciation.

We are pleased with our exploration and development efforts to date as these results should assure continued funding of the Taseko project in 1991 through the Company's joint venture with ASARCO. We look forward to announcing additional positive results from the technical analysis now underway.

On behalf of the Board,



Victor J.E. Jones, President
November 19, 1990

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LISTING

V.S.E. - WM
Authorized: 20,000,000
Issued: 2,610,400
Options: A total of 261,000
common shares were
granted to officers,
directors &
employees as five-
year options
Escrow: 1,200,000

TABLE OF 1990 DRILL RESULTS: TASEKO PROPERTY

Hole	Interval (ft.)	Width	Depth	Cu%	Au opt	Line	Station
W90-17	472-652	180.0	707.0	1.41	0.054	11+93E	3+95S
	including 581-629	48.0		2.27	0.105		
W90-18	163-512	349.0	627.0	0.53	0.019	10+03E	7+86S
	including 369-470	101.0		1.02	0.032		
W90-20	554-673	119.0	712.0	0.34	0.010	15+24E	5+43S
W90-21	503-718	215.0	727.0	0.90	0.036	10+86E	6+22S
	including 509-569	60.0		1.78	0.061		
	599-627	28.8		1.92	0.087		
W90-22	467-647	180.0	693.0	1.01	0.037	10+00E	4+00S
	472-656.5	180.0		1.01	0.037	9+99E	4+00S
	including 511-599	88.0		1.52	0.056		
W90-23	450-544	94.0	677.0	0.34	0.012	8+98E	5+82S
W90-24	414-468	54.0	647.0	0.26	0.024	11+93E	2+00S
	including 530 - 598	68.0		0.74	0.032		
	554-598	44.0		1.02	0.045		
W90-26	170-261	91.0	287.0	0.44	0.011	12+00E	12+94S
	182-249	67.0		N/A	0.012	9+00E	10+20S
W90-29	315-363	48.0	717.0	0.47	0.009	14+00E	3+91S
	507-644	137.0		0.51	0.020		
	519-644	125.0		N/A	0.021		
W90-30	39-104	65.0	733.0	0.26	0.012	13+00E	6+00S
	including 540-684	144.0			0.028		
W90-31	563-623.5	60.5	673.0	0.31	0.008	16+70E	6+63S
W90-32	411-454	43.0	593.0	0.49	0.018	8+00E	7+97S
W90-33	453-479	26.0	667.0	0.32	0.10	8+00E	3+90S

WESTPINE METALS LTD.

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WESTPINE METALS LTD.

BALANCE SHEET
as at September 30, 1990

	September 30 1990	September 30 1989
<u>Assets</u>		
Current assets:		
Cash and term deposits	\$ 114,060	\$ 157,195
Accounts receivable	411	6,637
Prepaid expenses	9,563	3,000
Total current assets	124,034	166,832
Fixed asset, net of accumulated depreciation	3,900	5,100
Mineral property interests	496,307	477,041
Funds held in trust	-	535,680
	\$ 624,241	\$ 1,184,653

Liabilities and Shareholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities	\$ 28,389	\$ 569
Accounts payable to related companies	4,247	14,485
Total current liabilities	32,636	15,054
Shareholders' equity:		
Share capital	634,092	1,244,271
Contributed surplus	81,398	659
Deficit, per accompanying statement	(123,885)	(75,331)
Net shareholders' equity	591,605	1,169,599
	\$ 624,241	\$ 1,184,653

APPROVED BY THE BOARD:

William W. Osburn Director Victoria Director

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WESTPINE METALS LTD.

STATEMENT OF INCOME & DEFICIT
for the nine months ended September 30, 1990

	September 30 1990	March 10 to September 30 1989
General administration and exploration costs written off, being loss for the period	\$ 44,919	\$ 975
Deficit, beginning of period	78,966	-
Costs incurred on issuance of shares	-	74,356
Deficit, end of period	----- \$ 123,885 =====	----- \$ 75,331 =====
Loss per share	\$ 0.02 =====	\$ 0.00 =====

NOTES TO FINANCIAL STATEMENTS
as at September 30, 1990

1. Nature of operations:

The Company was incorporated under the laws of British Columbia on March 10, 1989 and commenced operations on March 28, 1989 with the acquisition of the Taseko property.

2. Related party transactions:

During the period, the Company and certain related companies shared various administration and management costs which benefited the group. In this regard, the Company paid \$17,335 to Westley Mines Limited, a company with significant share position.

The Company has an operating agreement with Alpine Exploration Corporation ("Alpine"), a company with significant share position, under terms and conditions similar to those commonly used in the industry. During the period, the Company paid Alpine a total of \$425,548 for reimbursement of expenses which includes a 10% administration fee pursuant to this operating agreement.

3. Funds held in trust:

On May 11, 1990, 10,400 redemption rights expired unexercised and the funds held in trust for these rights, in the amount of \$6,240, were released to the Company.

WESTPINE METALS LTD.

STATEMENT OF CHANGES IN FINANCIAL POSITION
for the nine months ended September 30, 1990

	September 30 1990	March 10, to September 30 1989
Cash resources provided by (used in):		
Operating activities:		
Loss for the period	\$ (44,919)	\$ (975)
Items not involving funds		
General administration and exploration costs written off	44,919	975
	-----	-----
	-	-
	-----	-----
Financing activity:		
Issuance of shares for cash	-	1,237,250
Issuance of shares for property	-	12,000
Costs incurred on issuance of shares	-	(74,356)
Redemption of shares	-	(4,320)
Funds held in trust	-	(535,680)
Funds released from trust (Note 3)	6,240	-
	-----	-----
	6,240	634,894
	-----	-----
Investing activities:		
Purchase of fixed asset	-	(6,000)
Mineral property interests	(36,695)	(478,016)
Items not involving funds		
Depreciation	900	900
Cash generated from (used for) working capital		
Accounts receivable	649	(6,637)
Prepaid expenses	(7,563)	(3,000)
Accounts payable and accrued liabilities	22,868	569
Accounts payable to related companies	1,735	14,485
	-----	-----
	(18,106)	(477,699)
	-----	-----
Increase (decrease) in cash position	(11,866)	157,195
Cash position, beginning of period	125,926	-
	-----	-----
Cash position, end of period	\$ 114,060	\$ 157,195
	=====	=====

Cash position is defined as cash and term deposits.

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WESTPINE METALS LTD.

STATEMENT OF MINERAL PROPERTY INTERESTS
for the nine months ended September 30, 1990

	September 30 1990	March 10, to September 30 1989
Exploration, development and property payments:		
Analysis and assaying	\$ 22,913	\$ 19,950
Communications and general office	40,238	24,988
Consulting, salaries and wages	77,683	59,097
Drilling	243,261	129,159
Field and camp supplies	3,547	515
Legal	585	-
Property payments and acquisition costs	17,500	212,000
Property staking and maintenance	4,321	1,585
Transportation and field accommodation	39,522	30,332
	-----	-----
	449,570	477,626
Recoveries from participants	(457,691)	-
	-----	-----
	(8,121)	477,626
	-----	-----
Administrative:		
Audit and accounting	808	-
Depreciation	900	900
Interest (income) expense	(9,161)	(9,095)
Legal	5,012	500
Office and general	7,456	3,767
Printing and promotion	2,613	170
Transfer agent and stock exchange	7,014	551
Travel	607	-
Salaries and employee benefits	29,567	3,597
	-----	-----
	44,816	390
	-----	-----
Net expenditures for the period	36,695	478,016
Mineral property interests, beginning of period	504,531	-
Less: Amounts written off during the period	44,919	975
	-----	-----
Mineral property interests, end of period	\$ 496,307	\$ 477,041
	=====	=====

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