1994 ANNUAL REPORT

WESTMIN

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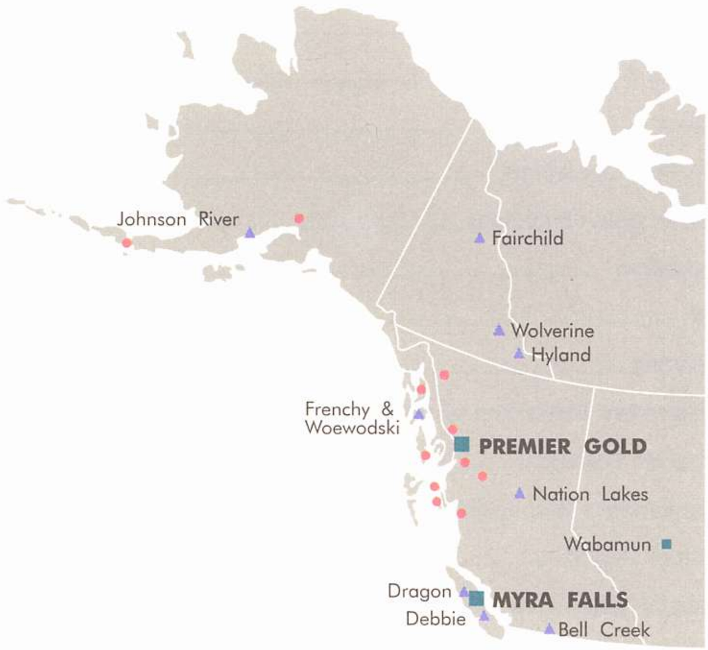
Annual General Meeting

Wednesday, April 19 1995 10:00 a.m. (local time) Hyatt Regency Hotel, 655 Burrard Street, Vancouver, British Columbia.

CORPORATE PROFILE

Westmin Resources Limited is a Vancouver-based exploration, development and mining company with producing interests in base and precious metals and coal. It produces copper, zinc and gold concentrates at its Myra Falls Operations on Vancouver Island and gold-silver doré at the Premier Gold Operations near Stewart in northwestern British Columbia. The Company also has substantial coal interests in Alberta from which it derives significant royalty income and a variety of active exploration projects in Yukon, Alaska and British Columbia.



Mining and Exploration Properties

- ■ Westmin Operations
- ▲ Westmin Exploration Properties
- ● Custom Milling Opportunities

LETTER TO SHAREHOLDERS

Westmin completed 1994 on a positive note with its operations greatly improved and the outlook promising. While the past year began with frustration and a continued financial drain it ended in an upbeat manner. The labour disruption, which began in April 1993, was satisfactorily resolved in August 1994 and Myra Falls returned to work on a much improved basis. Metal prices continued their dramatic rise. Significant new discoveries of ore were made at Myra Falls and the Company has taken steps to improve its balance sheet.

The labour disruption was settled by arbitration on August 15 1994 and by the end of September essentially all employees had been called back, and participated in a return to work program. The arbitration award, while protecting the wage levels of existing employees, reduced those for new hires. In addition, the elimination of many unusual provisions helped bring our productivity levels and operating costs into line with other British Columbia mines. The award imposed some obligations on Westmin in the form of Company-paid busing and pension increases for employees.

Both surface and underground exploration at Myra Falls resumed in the fourth quarter with considerable encouragement in both areas. Detailed development drilling on the Gopher and Gnu Zones, which are on the southern fringe of the Battle Zone, showed excellent continuity and major increases in ore tonnage and grade. Similarly, surface drilling of the high-grade Trumpeter Zone yielded extensions to that Zone and resulted in discovery of a new overlying zone which has large tonnage potential as it may be a continuation of the Block 43 Zone in the H-W Mine, more than one kilometre away.

While Premier Gold endured a disappointing year, the mine undertook the successful initiation and fulfilment of the Snip Mine custom processing contract. Premier underground ore grades were lower than planned and weather-induced production problems in the fourth quarter severely curtailed the ability of the Company to increase the milling rate to offset the grade shortfall.

As a result of the labour disruption at Myra Falls, revenues remained low in 1994 at $34.2 million compared with $37.0 million in 1993. Total expenses, however, were limited to $58.2 million compared to $63.8 million in 1993. The result was a net loss of $24.8 million in 1994, as against a loss of $27.0 million in 1993. After preferred dividends, the loss was $0.77 per Common Share in 1994 versus $0.83 the previous year.

Cash flow from operations deteriorated marginally from a deficit of $15.3 million in 1993 to $16.7 million in 1994. Capital spending was reduced to $3.8 million in 1994 from $4.8 million the previous year. Expenditures in 1994 consisted mainly of purchases of underground equipment and $1.6 million directed to development of the Battle/Gap Zones. Exploration outside of producing properties increased slightly to $2.5 million this year compared with $2.3 million last year.

In December 1994 Westmin reached an agreement with the holders of its Class B Series 3 Preferred Shares on a conversion to Common Shares, resulting in $26.8 million being added to Common Shareholder's equity. This simplifies and strengthens the balance sheet and reduces the dividend obligations of the Company.

Early in 1995, Harold M. Wright, one of our founding directors and a member of Westmin's Board for more than 40 years retired from active service on the Board. Mr. Wright has had a long and illustrious career as an Olympic athlete, a leading engineer, a company executive and the past President of the Canadian Olympic Association. The Company and Board will continue to benefit from his advice as he will remain involved as Director Emeritus and Honourary Chairman.

Outlook

The outlook for the Company is more promising than it has been for years. Virtually all elements of Westmin's business are steadily improving.

The protracted work stoppage at Myra Falls Operations, finally resolved in August, resulted in a settlement that represents an important building block of a program to enhance the Company's competitiveness. While Myra Falls employees will still be paid in the top ranks of the industry, the non-productive and costly aspects of the compensation package are gone. Management now has clear contract language enabling it to guide the operations to the highest levels of performance.

Other building blocks at Myra Falls include a new operating team led by a highly experienced and able mine manager, a thoroughly engineered mining plan which emphasizes high output methods, and production equipment that has been, and is being, continuously upgraded and modernized. Finally, and perhaps most importantly, an expanding, high-quality, reserve base provides the foundation for future profitability.

The dedicated people at Premier Gold, by successfully demonstrating that they can compete as custom processors with the best in the world, have significantly increased the opportunities for that operation. Elsewhere, the exploration team has assembled several excellent mineral prospects. Our Alberta coal properties are very well placed and the ones that are already at lease are yielding over $5 million in annual cash flow to the Company.

While the United States economy appears to be levelling off, those of Europe and Japan seem to be turning the corner to new growth. Most of the Asian countries on the Pacific Rim have not experienced significant recession, particularly in mainland China where the economy continues to grow at twelve per cent per year. As a result, worldwide stockpiles of copper and zinc metal have decreased and in the case of copper the shift has been large and rapid.

Markets for Westmin's products, metals concentrates and gold-silver bullion, are strong. At Myra Falls, our long-term customers have remained with us, while new customers are seeking our products. For the last few months smelting and refining terms on the spot market have been favourable, resulting in competitive rates for the frame contracts under which Westmin does most of its business.

The price of copper has steadily increased over the last twelve months. Zinc's price, while lagging, is at last responding to declining stocks and has exhibited an increase of more than twenty per cent from the lows in 1993. Copper's price is expected to stay strong through most of 1995 and the zinc price is anticipated to continue to improve as the stocks are reduced. While gold and silver prices retreated from the short-term highs that were set in the fall of 1994, the price levels remain relatively high and demand strong.

With all of those conditions in place, the Company is anticipating a period of sustained profitability, which has already begun with a profitable January 1995. Results in the rest of the year will be buoyed by high and steady production rates, low costs and a healthy copper price. Beyond 1995, the Company plans even higher throughput rates, continued low costs and a doubling of zinc output due to Battle Zone production. If the high zinc output is matched by a good zinc price, created by increased demand in the world's large economies, the future cash flow and earnings to Westmin would be magnified.

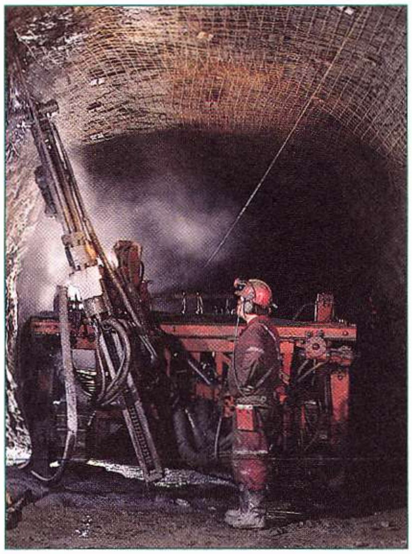
The last two years have been difficult ones for all of those people associated with Westmin. To our Shareholders, thank you for your ongoing support; we now expect to realize significant profits and real growth in the coming years. To our Customers, thank you for staying with us; we commit to providing you with a long-term, stable supply of the best product we can make. To our staff employees at all levels and all locations, thank you for the really outstanding job you have done in setting the stage to turn Westmin into a successful and profitable mining company. Lastly, to our hourly rated employees at Myra Falls, welcome back and thank you for the enthusiasm and hard work that has been so much in evidence since operations restarted.

Paul M. Marshall, Chairman

Walter T. Segsworth, President

MYRA FALLS OPERATIONS

Operating in Strathcona Provincial Park on Vancouver Island, Myra Falls is a modern underground mining operation employing over 400 people from the surrounding communities of Campbell River and the Comox Valley. The operation includes the producing H-W Mine and several other inactive or developing mines and zones such as the Lynx, Myra and Price Mines and the Battle/Gap and Gopher Zones.



Longhole drilling, H-W Mine

Mining operations were affected for most of 1994 by the labour disruption which started on April 24 1993. The dispute ended on August 15 1994 when binding arbitration established a new collective agreement between the Company and unionized employees, members of the Canadian Auto Workers. Employees were gradually called back from that date onward in a process which provided for a systematic re-commencement of operations.

Revenues for the year were $16.7 million, reflecting limited production by staff during the first seven months of the year, and increasing production during the fourth quarter after the restart-up of operations. Operating costs for the year were $24.9 million, leaving a cash flow deficit before capital expenditures of $8.2 million.

Mining

In 1994, 248,741 tonnes of ore were produced from the H-W mine, compared with 391,038 tonnes in 1993. The low tonnage figures for both years reflect the effect of the labour dispute which lasted for much of 1993 and 1994.

By late August employees in the mechanical and electrical trades were called back to get equipment, which had been dormant for 16 months, back in operating condition for the mining crews. Initial efforts focused on the development and rehabilitation of working areas in order to ready the mine for commencement of production in October. By late October the mine was producing ore at a rate of 2,000 tonnes per day and employees were preparing additional production areas for a further increase to over 3,250 tonnes per day beginning in 1995.

There are no plans at present to reopen the smaller, high-cost Lynx Mine which was shut

Production Summary

		1994	1993	Since Start-up
Ore Milled (tonnes)		**251,560**	433,410	14,509,207
Number of operating days		**94**	128	9,068
Average tonnes per operating day		**2,676**	3,386	1,600
Grade of Ore				
Gold	(g/t)	**1.91**	1.89	2.13
Silver	(g/t)	**27.21**	21.93	61.68
Copper	(%)	**1.94**	1.88	1.85
Zinc	(%)	**2.80**	2.77	5.46
Copper Concentrate				
Tonnes		**16,389**	28,220	948,386
Copper grade	(%)	**24.83**	25.11	24.27
Copper recovery	(%)	**83.50**	86.50	85.75
Zinc Concentrate				
Tonnes		**9,555**	18,705	1,234,291
Zinc grade	(%)	**52.25**	50.32	51.83
Zinc recovery	(%)	**70.92**	78.40	80.75

down in 1993 due to economic factors. A small crew of employees continued to work in the Lynx Mine, using it as access for the installation of the required ventilation system for the Battle/Gap Zones and for further exploration.

Battle/Gap Zone Development

Development work towards the Battle and Gap Zones was given priority following the resolution of the labour dispute. The current mining schedule projects that the first Battle Zone ore will be processed by the mill in the second quarter of 1995.

Milling

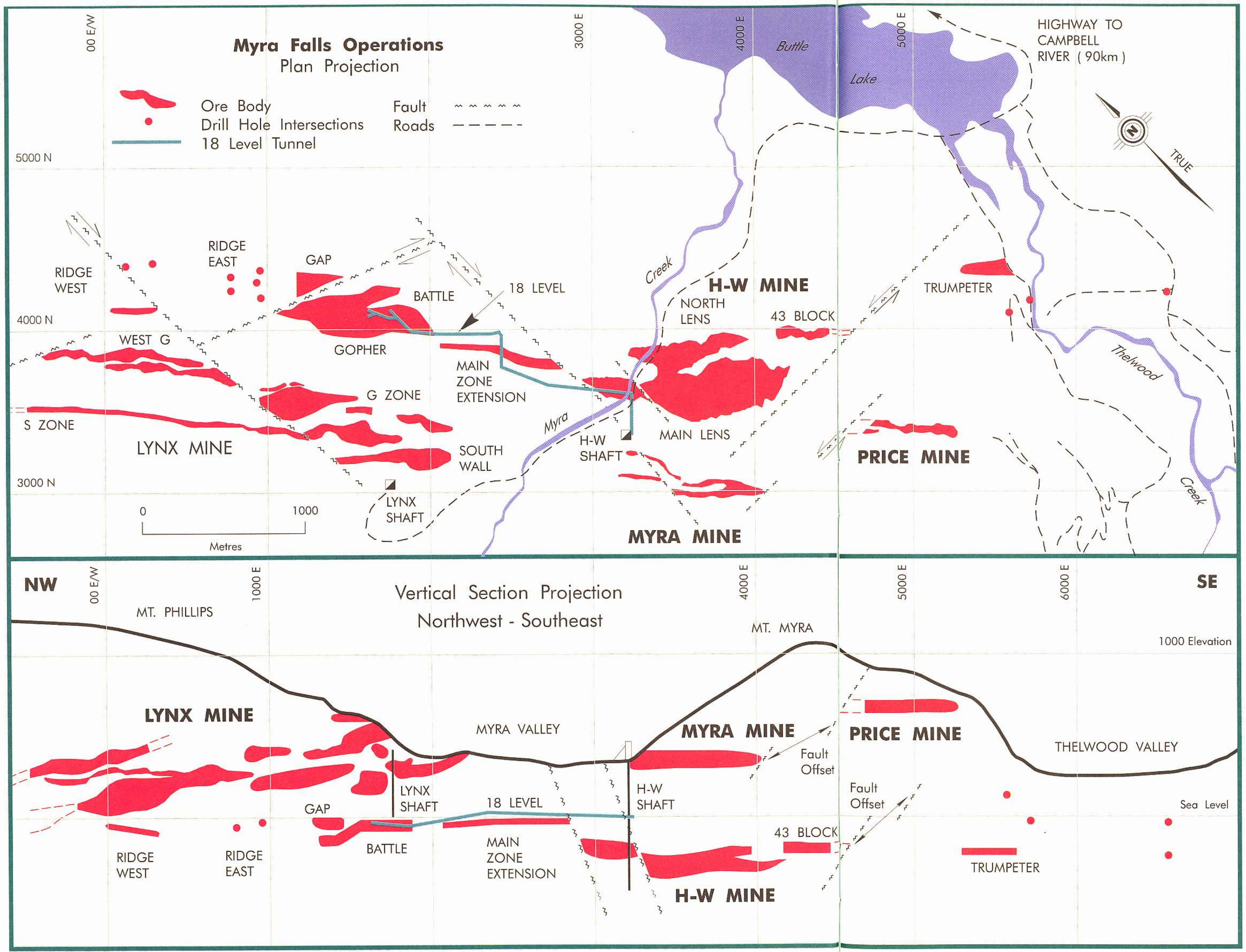
Ore from the H-W Mine is processed through the modern 4,000 tonnes per day mill facility which separates and concentrates the ore into three products. From ore grades which averaged 1.94 per cent copper, 2.80 per cent zinc, 1.91 g/t gold and 27.21 g/t silver, the mill produced copper concentrate grading 25 to 26 per cent copper with significant gold and silver content, and zinc concentrate containing 51 to 52 per cent zinc. The mill also produced a gold concentrate assaying 50,000 g/t (1,600 oz/tonne) gold.

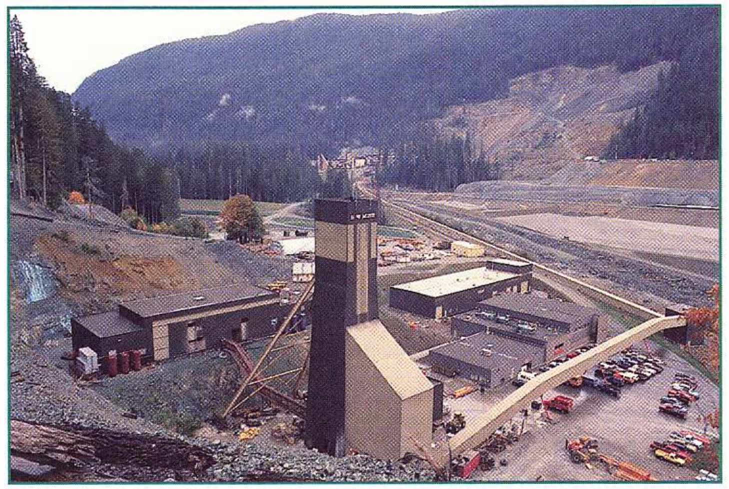
Grinding mills, Myra Falls Operations

The mill operated for a total of 94 days in the year, processing 251,560 tonnes of ore. This production figure compares with 433,410 tonnes milled in 1993. The average daily throughput was 2,676 tonnes per day, lower than the 3,386 tonnes in 1993 due to the conscious decision to restart operations in October at about 2,000 tonnes per day to allow for required mechanical maintenance, mine preparation and development. This will enable the operations to increase the production rate to above 3,250 tonnes per day in 1995 and higher in the future. The production schedule for 1995 is still well below the 4,000 tonnes per day mill capacity, however the underground mining operations are gradually developing new areas to replace the Lynx Mine closure and to feed the mill at a consistent and increasing rate.

In 1994, total production amounted to 16,389 tonnes of copper concentrate, 9,555 of zinc concentrate, and 0.473 tonnes of gold concentrate. The percentage of metal recovered to concentrate in 1994 was lower than normal because of reduced throughput during the labour dispute and the batch operating strategy. Recoveries improved dramatically in the fourth quarter when the mill ran continuously; copper recoveries averaged 87.4 per cent and zinc recoveries 79.6 per cent during this period.

The technical challenge for the milling operation is to effectively separate and concentrate the complex blend of minerals in the ores at Myra Falls Operations. The Company benefits from revenues derived not just from one metal, but from four, namely, copper, zinc, gold and silver. Research work will continue to focus on improving recoveries of payable metals and reducing or eliminating impurities which end up in products sold.





H-W headframe, Myra Falls Operations

Exploration

The minesite exploration program was essentially inactive for most of 1994, but was restarted during the fourth quarter after settlement of the labour dispute. Surface drilling in Thelwood Valley resumed in early November, to test prospective H-W horizon stratigraphy on the east side of the valley and to follow up the 1992 Trumpeter Zone discovery on the west side of the valley.

Three holes were completed on the east side of the program and by intersecting mineralized H-W stratigraphy confirmed structural interpretations. This area warrants ongoing work and will be addressed in the long-term program to fully explore the entire property.

The Trumpeter Zone follow-up drill program was successful in adding to reserves, with three holes intersecting ore and extending the zone some 140 metres to the west, toward the H-W Mine. Two of these holes also intersected fragmental sulphide mineralization above the Trumpeter Zone stratigraphic position. This upper ore is very similar in nature to 43 Block at the H-W Mine, more than one kilometre away. The drill program will continue in early 1995 with the objective of extending this mineralization further west toward the H-W mine.

Definition drilling in the Battle Zone recommenced in late October, with emphasis on testing the continuity and ore grade of the Gopher and Gnu Zones, discrete ore lenses just south of the main Battle Zone. This drilling achieved both objectives and has resulted in the area being targeted for early production.

Geological Reserves as of January 1 1995

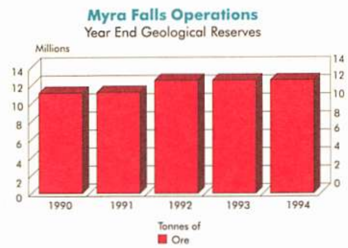
		Grades			
Zone/Deposit	Proven & Probable (Tonnes)	Gold (g/t)	Silver (g/t)	Copper (%)	Zinc (%)
H-W	7,950,521	2.2	41.3	1.7	4.4
Lynx	285,600	3.1	95.8	1.8	10.3
Price	185,000	1.5	66.4	1.4	10.4
Gap	634,200	3.2	151.5	1.8	13.3
Battle	2,263,504	1.3	25.3	2.5	13.2
Gopher	330,471	1.2	17.1	2.3	13.1
Gnu	297,404	0.6	34.3	1.6	11.3
Extension (W37)	231,100	1.2	60.4	1.7	3.8
Trumpeter	227,935	3.1	66.7	4.1	4.4
6 Level	120,500	1.3	91.4	0.4	6.0
TOTAL As of January 1 1995	**12,526,235**	**2.0**	**46.1**	**1.9**	**7.1**
As of January 1 1994	12,514,800	2.0	45.4	1.9	6.7

		Grades			
Zone/Deposit	Possible (Tonnes)	Gold (g/t)	Silver (g/t)	Copper (%)	Zinc (%)
K424	60,000				
Gap	376,400				
Battle	837,947	Not calculated, but expected in total to be the same as, or higher than, average reserve grade.			
Ridge East	399,700				
Ridge West	267,900				
Extension (W37)	183,000				
Trumpeter	62,907				
TOTAL As of January 1 1995	**2,187,854**				
As of January 1 1994	2,322,600				

Geological Resources as of January 1 1995

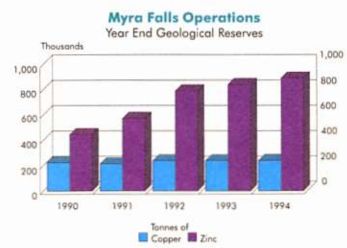
Zone/Deposit	Proven & Probable (Tonnes)	Grades Gold (g/t)	Silver (g/t)	Copper (%)	Zinc (%)
H-W	4,158,900	2.4	15.5	1.1	1.2

Geological Resources have been included in the 1994 report because they appear to be economic under current conditions.



Mineable Reserves as of January 1 1995

Zone/Deposit	Proven & Probable (Tonnes)	Grades Gold (g/t)	Silver (g/t)	Copper (%)	Zinc (%)
H-W	5,615,240	1.9	33.3	1.5	3.9
Lynx	0	0	0	0	0
Price	0	0	0	0	0
Gap	713,475	2.5	121.2	1.5	10.6
Battle	2,546,442	1.0	20.3	2.0	10.6
Gopher	371,780	1.0	13.7	1.8	10.5
Gnu	334,580	0.5	27.5	1.3	9.0
Extension (W37)	136,300	1.05	1.2	1.4	3.2
Trumpeter	0	0	0	0	0
6 Level	0	0	0	0	0
TOTAL as of January 1 1995	**9,717,817**	**1.6**	**35.6**	**1.7**	**6.6**
As of January 1 1994	9,704,000	1.6	35.6	1.7	6.3



Net increase for the year of 13,816 tonnes (after milling 251,560 diluted tonnes in 1994).

Environment

The environmental facilities at Myra Falls achieved their best performance ever in 1994 with near perfect compliance. Improved performance can be attributed in part to the smooth operation of the new "superpond" which was completed in late 1992 and better management of the water treatment system. The operations are now better able to handle peak flows associated with periods of high precipitation. They occur seasonally at the site and have contributed to control problems in the past.

The Company made good progress in enhancing its environmental management system and addressing specific concerns on the site. Another review of all operating systems is planned for 1995 as part of a commitment to continuous improvement in environmental performance. During 1994, a new above-ground gasoline and diesel storage and pump station facility was commissioned and a new waste oil recovery system implemented. Significant improvements were also made at the concentrate storage and ship loading facility in Campbell River.

Westmin is participating in the Federal ARET (Accelerated Reduction and Elimination of Toxics) program. Through this program, which is voluntary, the Company has implemented initiatives to minimize the use of toxic substances on the site and to reduce discharges of metals from all sources to the environment. On the basis of estimated flows and average concentrations of total metals, the Company estimated total discharges of metals as follows:

	1994
	(Tonnes)
Zinc	3.3
Copper	0.38
Lead	0.013
Cadmium	0.018

These emission levels are very low by industrial standards, nonetheless, the goal of the operation is continuous reduction.

The Company continued to experience minor environmental incidents requiring emergency response and cleanup. A review of procedures and preventative measures is being undertaken to reduce the number of concentrate spills and leaks from pipelines and other facilities associated with the water treatment and backfill systems.

Monitoring and Compliance

The Myra Falls operation achieved almost perfect compliance during 1994. All of the pH permit excursions occurred in December during high rainfall events with only a one-day permit exceedance for dissolved zinc during a period when the mill was not in production, thereby resulting in abnormal operating conditions. The zinc excursion was too small to affect the total zinc level reported in the compliance table. This is an excellent achievement, which is reflected in the continued improvement in water quality in Buttle Lake. Monitoring of the water quality in Buttle Lake and downstream shows that the mine is having negligible environmental effects on water quality and that metal concentrations in the lake remain at levels observed prior to mining.

Myra Falls Operations Water Treatment System Effluent
Permit Compliance Rating

Parameters (Per cent compliance)

	pH	Total Zinc	Total Copper	Dissolved Lead	Dissolved Cadmium	Toxicity
1994	**98.9**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
1993	92.9	99.7	100.0	100.0	100.0	100.0
1992	91.9	98.7	100.0	100.0	100.0	100.0
1991	90.0	98.4	99.2	100.0	100.0	100.0
1990	75.0	90.5	99.6	90.5	100.0	100.0
Permit limits*	<11	1.0 mg/l	0.6 mg/l	0.05 mg/l	0.005 mg/l	

* 1 mg/l is equivalent to 1 part per million

Westmin continues to monitor water quality in Myra and Thelwood Creeks downstream of operations. The frequency of monitoring in Thelwood Creek is increased during periods of diamond drilling activities in that area. Efforts to identify and eliminate other sources of metal discharges from the mining activities continues with planned removal of some additional wastes to long-term storage facilities.

Reclamation

Revegetation along the Jim Mitchell Lake road is progressing well with only one small section remaining. The bioengineering work conducted on steeper slopes has been successful in re-establishing vegetation. Revegetation efforts on the Price Mine road and dumps also progressed in 1994 along with the fertilization of newly revegetated areas.

Reclamation activites (before), Myra Falls Operations

Other reclamation activities were deferred during the labour dispute, but an ambitious reclamation program is planned for 1995. The Company will continue removing acid generating waste rock from the Lynx Mine site to the long-term storage facility and will start removal of the old Lynx Mill emergency tailings pond to the existing tailings storage facility.

Reclamation activites (after), Myra Falls Operations

Safety

The 1994 safety record at Myra Falls Operations improved significantly from 1993. The Lost-Time Injury Frequency, an industry benchmark which measures the number of lost-time injuries per 200,000 employee hours worked, dropped to 5.5 in 1994 from 13.3 in 1993. A lost-time injury is defined as an incident occurring at the workplace that leads to the employee being unable to report to work for a subsequent shift.

Staff employees, many of whom worked during the labour dispute at jobs with which they were unfamiliar, must be commended for their safe working habits. For the thirteen month period between November 1993 and December 1994, there were no lost-time injuries among this employee group.

The long-term safety target for Myra Falls Operations is to post a year without a lost-time injury and then to maintain it. This can only be achieved by improved work practices and conditions, and by raising the awareness of safety issues. A new Health & Safety Program was developed and implemented to address this.

Collective Agreement

Although the labour dispute ended on August 15, when a three member Arbitration Board imposed a binding settlement, the turning point occurred a month earlier. In early July, the parties mutually agreed to go to binding arbitration with a set of governing criteria to direct the determination of the award. Most importantly, the Arbitrators were to consider and compare wage rates of similar employers in the British Columbia mining industry as a factor in their award.

The essential ingredients of this new three year collective agreement, which will expire on August 15 1997, include the elimination of the $13 per day housing allowance and the $1 per hour attendance bonus. The Arbitrators also accepted the Company's new wage schedule which will reduce the starting pay for labourers from $20.01 to $17.00 per hour. The agreement does however, protect the wages of current employees who will continue to be paid at the old rates until the new schedule catches up to their job classifications. The Arbitrators also wrote into the contract the right of employees to continue receiving Company-paid busing which transports them from Campbell River and Comox Valley area every shift. Employees also received substantial new pension benefits over the next three years, raising their pension benefits to the top of the British Columbia mining industry.

Return To Work

It was considered important that the resumption of full operations went as systematically as possible. Myra Falls Operations, not unlike many other businesses, is made up of a series of integrally linked processes. It starts with the exploration, identification, design and development of underground production areas, continues with the delivery of broken ore from underground to the mill where it is processed, and finally sold and shipped to customers.

It is essential that every employee understands the impact his or her efforts have on the business process. It became apparent to management that not all employees had been given sufficient exposure to all aspects of the business system at Myra Falls to do this. Accordingly, on the first day back at work, employees were given presentations by staff members in the areas of safety, engineering, geology, marketing, finance, the environment, and employee benefits. Tours were arranged of the mining operations for surface employees, many of whom had never been underground despite being long time employees at Myra Falls. Correspondingly, underground workers were taken through the mill and surface operations. All returning employees also met individually with their supervisors to establish goals and expectations. A new performance review process was initiated which will ensure that all employees receive constructive feedback on their performance and recognition for work well done.

Renewed efforts have been directed at improving the flow of information among employees at all levels of the operation. The first Mine Manager's Quarterly Meeting was held in Campbell River in October to communicate the current priorities for the operation. The monthly newsletter, the posting of production and operating results, and regular meetings are all in place to keep employees abreast of current developments in the Company.

Outlook

Results for the final quarter of the year were highly encouraging. Targets were met or exceeded in mining productivities, metal-in-ore mined, metal-in-concentrate produced, operating costs and revenues. The markets for the concentrate products were healthy and customers began to receive product from Myra Falls on schedule.

Remote controlled scooptram, H-W Mine

Priorities have been set for 1995 with the overriding objective being the immediate return of Myra Falls Operations to a positive cash flow, then to an acceptable and sustainable operating profit. Critical to long-term profitability is the expeditious development of the Battle/ Gap Zones to augment the ore from the larger H-W Mine. Mining operations at H-W will focus on reducing grade dilution, improving equipment availability, placing more backfill underground to fill excavations and managing the process to provide a stable flow of ore to the mill. New mining methods will be evaluated to facilitate more effective extraction in the narrow but higher grade zones in the H-W mine which have traditionally provided challenging mining conditions. The mill department continues research and development to optimize the metallurgical processes. Further work will be done to reduce power consumption to a level below that provided by the Company's low cost hydroelectric plants and to automate the power generation system. Management information systems that can provide timely, accurate production and financial information are being installed to better manage the entire business process.

The idea of alternate shift schedules is also being considered. This would extend the working hours per shift from eight to ten, but reduce the number of consecutive working days in a week and the overall time employees spend commuting to work. Operational advantages would include better utilization of equipment and a more effective work schedule. Under the Mines Act of British Columbia, extended shifts are only permitted following acceptance by the majority of employees.

Being the only mine in British Columbia operating in a Provincial Park results in close public scrutiny of all Company activities at Myra Falls. Surface projects to remove and isolate acid generating rock from old sites, refurbishment of treatment ponds, upgrading water systems, and the continued reclamation of the mine site will be priorities in 1995. The Company continues its commitment to recycling (we are presently recycling waste oil, steel, wire, and all paper and cardboard products) and to reducing the use of toxic compounds through its purchasing policy.

PREMIER GOLD OPERATIONS

Premier Gold Operations, located 15 kilometres north of Stewart, British Columbia, comprise the historic Big Missouri and Silbak Premier gold mines and a modern, efficient, 2,000 tonnes per day ore milling plant with all ancillary facilities. In 1994 the operation ran entirely on underground ore sources as a result of the open pit closure in 1992.

Mill and plant facility, Premier Gold Operations

This past year marked the completion of mining in the Northern Light Zone, which had been providing ore for the operation since the middle of 1992. The Premier Main Zone was subsequently rehabilitated and is now producing ore to feed the mill.

Somewhat of a milestone was reached by the Premier Operation in 1994. Bidding against strong international competition, it successfully won a one year contract to process the gold concentrates from the Snip Mine. In April, after modifications to the mill, treating of the Snip concentrates began.

The safety performance of the operation improved dramatically in 1994. The Lost-Time Injury Frequency, the average number of lost-time injuries per 200,000 employee hours worked, decreased to 1.2 from the 18.7 recorded in 1993. The operation again achieved a perfect environmental compliance record.

Production Summary

	1994		1993	
	Premier	***Custom Milling**	Premier	Custom Milling
Ore Mined (tonnes)	**151,435**	**N/A**	106,060	N/A
Ore Milled (tonnes)	**164,174**	**3,737**	159,172	3,028
Grades (g/t)				
Gold	**3.28**	**5.74**	4.38	3.55
Silver	**71.11**	**18.55**	47.91	30.29
Recoveries (%)				
Gold	**92.22**	**90.70**	94.0	93.2
Silver	**48.10**	**71.80**	57.2	41.6
Production (oz)				
Gold	**16,775**	**633**	20,475	645
Silver	**169,675**	**1,636**	139,309	1,235

*In addition, 5,441 tonnes of gold-bearing concentrates from the Snip Gold Mine were processed during the year.

Mining

Mining of the Northern Light Zone was completed during the first quarter of 1994 while preparation work commenced on the Premier Main Zone. This entailed extending the power line to Level 4 Portal, rehabilitating the portal, building a compressor house, extending the ore pass by 90 metres using an Alimak, and the purchase of a small scooptram and a self-propelled long hole drill. This area is now providing feed for the mill. Increased mining access to the Glory Hole was established by driving a third tunnel into it from the bottom of the open pit. It continues to supply approximately 60 per cent of the mill tonnage.

The mining of lower grade ores in the underground and Glory Hole affected financial performance during the second half of 1994. The 4G Stope produced no ore although scheduled to supply 10 per cent of total production. New stopes have now been opened which will provide better quality ore for 1995.

Milling

Between late 1993 and early 1994 modifications were made to the mill to facilitate processing of gold concentrates from the Snip Mine. The first load of concentrates was barged in from Wrangell, Alaska to Stewart on April 10 1994. At year end, 6,235 tonnes of Snip concentrates had been delivered to Premier and 5,441 tonnes processed.

Premier Geological Reserves

	Proven & Probable Reserves (tonnes)	Grade Gold (g/t)	Grade Silver (g/t)
TOTAL as of January 1 1995	**113,225**	**8.23**	**85.80**
TOTAL as of January 1 1994	151,200	7.54	55.20

Net decrease for the year of 37,975 tonnes (after milling 164,174 diluted tonnes in 1994).

The tonnage of Premier ore milled in 1994 exceeded the plan by 12.8 per cent, however, the lower head grades resulted in lower gold production. In addition to the Premier ore and the Snip concentrate, another 3,737 tonnes of ore from five other properties were processed at Premier, reinforcing the reputation of Premier Gold as an excellent custom miller.

Exploration

Active exploration is continuing in the Premier area to enable the Premier mill to reach optimum milling capacity.

Lesley Flats

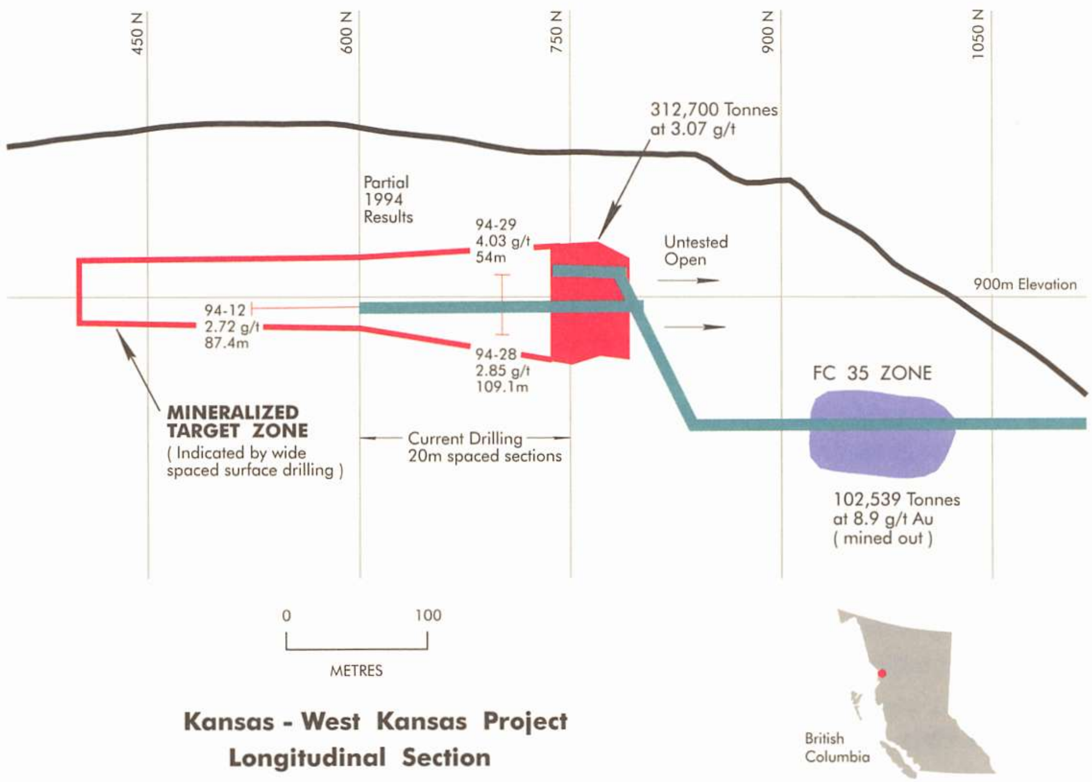
Westmin continued its drilling in the Lesley Flats area following encouraging results in the 1993 diamond drilling program. The area is along the northeast strike and plunge direction of the favourable Premier mine structure. Encouraging values achieved in the first hole of the program were unfortunately not repeated in subsequent holes.

Kansas/West Kansas

An intensive underground development and drilling program was completed on the Kansas/West Kansas Zones immediately south of the previous mining on the Facecut-35 Zone.

The property which is a 50:50 joint venture between Westmin and Tenajon Resources Corporation, is located five kilometres north of the Premier Gold mill complex.

The underground development on 895 Sublevel was continued further to the south to provide a platform for close-spaced drilling of the extension of the zone. A geological reserve of 312,700 tonnes at a grade of 3.07 g/tonne gold was defined over a strike length of 50 metres during the 1993 program. The sublevel was extended an additional 150 metres and 3,507 metres were drilled in 62 holes to attempt an evaluation of widespread mineralization. The drill results confirmed the continuation of the zone and a hole drilled south from the face of the sublevel was mineralized over its entire 87 metre length with a



Kansas - West Kansas Project
Longitudinal Section

grade of 2.72 g/tonne gold. Milling of the development muck from the driving of the sublevel yielded 19 per cent more gold than geological sampling of the drift rounds. Development muck from the 1993 program similarly yielded more gold than indicated by the sampling. Evaluation of the 895 Sublevel extension area should be completed in early 1995.

Environment

Premier Gold Operations continued its excellent environmental performance completing its third year of 100 per cent compliance in its permit requirements. All environmental systems performed well with the exception of a few operational difficulties during periods of severe weather conditions.

As part of the site's ongoing commitment to continuous improvement in its environmental performance it undertook a review of its facilities and environmental management system. By year end substantial progress had been made in addressing the specific concerns identified, retraining in environmental procedures, and the implementation of a new waste oil recovery system.

Kansas-West Kansas Zone gold bearing sample

Monitoring and Compliance

The Company monitors discharges and receiving waters at several points on a daily, weekly or monthly basis. During 1994 it achieved 100 per cent compliance at its downstream monitoring station on Cascade Creek below the confluence of Logan Creek. One minor exceedance occurred in copper levels in tailings effluent as a result of brief operational difficulties with the cyanide destruction plant. In addition, pH levels were out of compliance for one day due to a valve failure at the 6 Level water treatment facility. These minor problems did not have a measurable effect on downstream water quality. Biomonitoring of the receiving waters also produced excellent results and indicated no significant effects on the environment in Cascade Creek.

Monitoring of water quality from waste dumps continues to indicate no significant leaching of metals. Nonetheless, other studies of the waste dumps are in progress to better evaluate reclamation requirements upon mine closure.

Premier Gold Operations
Cascade Creek Permit Compliance Rating

Parameters (Per cent compliance)

	Dissolved Zinc	Dissolved Copper	Dissolved Cyanide	Toxicity
1994	**100.0**	**100.0**	**100.0**	**100.0**
1993	100.0	100.0	100.0	100.0
1992	100.0	100.0	100.0	100.0
1991	99.6	99.6	99.6	100.0
Permit limits*	0.03 mg/l	0.004 mg/l	0.010 mg/l	

* 1 mg/l is equivalent to 1 part per million

Reclamation

The Company revised and submitted a more detailed reclamation and closure plan after meetings with the British Columbia Ministry of Environment, Lands and Parks which focused on addressing several specific issues for more detailed study. Work is progressing on identifying the requirements for bulkheading of lower adits in the Premier Mine to attain a waterflood on mine closure. Westmin is also investigating the dam requirements to achieve a long-term waterflood condition for the tailings facility and has recompiled its acid-base accounting data to identify any long-term acid generation and metal leaching potential. Additional testwork is also in progress to demonstrate the chemical stability of the waste rock dumps.

Parts of the 520 dump at Premier were recontoured to facilitate revegetation, and overall, revegetation of the waste dumps is progressing well with good growth experienced in most revegetated areas. A small amount of acidic rock from the Premier waste dump was removed and processed as low grade ore and the Company evaluated the feasibility of collecting old tailings downslope from the historic mill at 4 Level for reprocessing. Other reclamation plans are being developed for implementation during 1995.

Human Resources

A very significant turnaround in the number of lost-time injuries occurred in 1994. They decreased from 11 in 1993 to 1 in 1994, this resulted in the Lost-Time Injury Frequency dropping from 18.7 in 1993 to 1.2 in 1994. The Premier Mine Rescue Team finished second at the Provincial Mine Rescue Competition which was a major achievement considering it was only the team's second year of existence.

Due to concerns for the longevity of the operation, the turnover of employees, particularly in the trades, increased in 1994. Premier averaged approximately 70 permanent employees during 1994.

Outlook

Next year will likely be the last year in which ore from the Glory Hole will be accessible. Since this area represents 60 per cent of the mill feed, other sources of ore must be found. The Company is targeting other properties in the area such as Lesley Flats and Kansas/ West Kansas, as well as the Johnson River and Frenchy/Woewodski properties in Alaska. The success of the Snip custom processing business and the recent extension of this contract for a further two years demonstrated that Premier can provide an economic alternative to overseas processing of gold-silver ores and concentrates - this should attract more custom processing business.

EXPLORATION

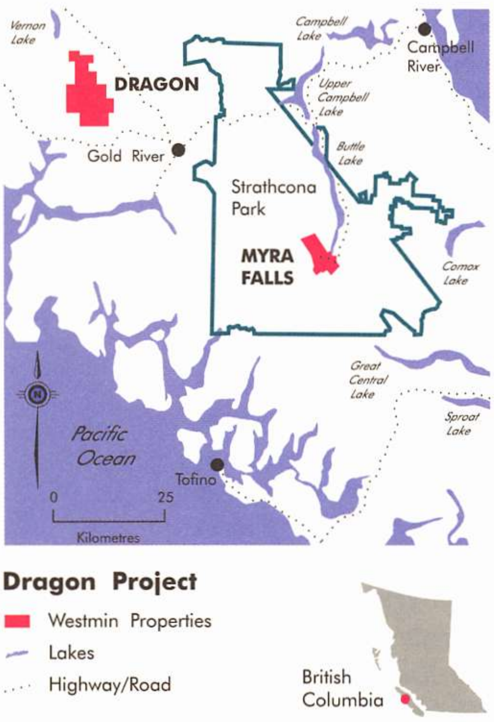
Westmin continued to explore its base and precious metals properties in British Columbia, Yukon and Alaska and has acquired several exciting new ones. The Company successfully concluded farmout agreements on its two gold properties in the Detour Lake area of northeastern Ontario and is negotiating a farmout agreement on its Clearwater property in northern Quebec.

The Company remains focused on exploration in Western Canada and Alaska and has taken advantage of the general downturn in exploration in its preferred areas to acquire some exceptional properties. Together with its existing properties, the exploration group is positioned to undertake several aggressive exploration programs and to take advantage of its geological expertise in polymetallic massive sulphide and related deposits.

Drill core

British Columbia

Westmin's exploration in British Columbia has focused primarily on Company mine sites and existing exploration properties.



Dragon Project

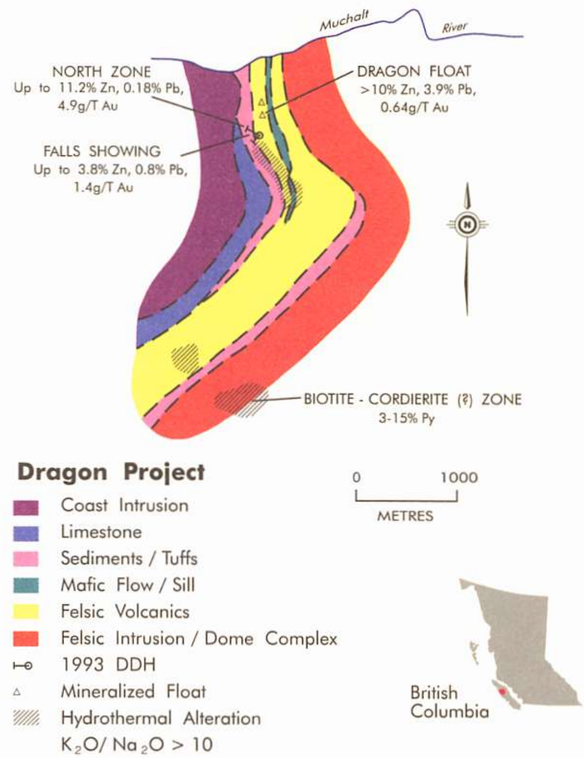
The project consists of 494 claims located approximately 60 kilometres northwest of the Myra Falls Operation along strike in the favourable Sicker Group stratigraphy. Westmin acquired an option to earn a 60 per cent interest in the Dragon property from Doromin Resources Ltd. The agreement requires Westmin to make cash payments of $300,000 and incur exploration expenditures of $1,500,000 over five years to maintain the option.

The base and precious metal mineralization in the favourable felsic volcanic rocks of the Myra Formation was first discovered in 1992. Early exploration has defined grades of up to 3.9% zinc, 0.78% lead and 2.3 g/tonne gold in the Falls massive sulphide showing and up to 11.2% zinc, 0.18% lead and 4.3 g/tonne gold in the North showing. These showings cover a small part of the outcropping of altered massive and coarse fragmental felsic volcanic rocks of the Myra Formation.

The geology of the Myra Formation on the Dragon Property has striking similarity to the volcanic rocks and alteration at Myra Falls. The vertical relief in the area should allow rapid evaluation and increase the potential for quick identification of drill targets.

Others

Westmin completed diamond drilling on its Bell Creek property in southern British Columbia intersecting extensive alteration along strike of the known massive sulphide horizon. Base and precious metal assays, however, were weak and the property was relinquished. The WES claims also in south central British Columbia have been optioned to Similco Mines Limited which is exploring for porphyry copper-gold mineralization near its mine site.



The Company expanded the claims position on its Witch property in the Nation Lakes area of north central British Columbia and defined additional areas with copper and gold soil geochemical anomalies. Geochemical and geophysical surveys have now defined a 3.0 by 1.5 kilometre anomalous area within the porphyry copper-gold system. These anomalies warrant extensive drilling.

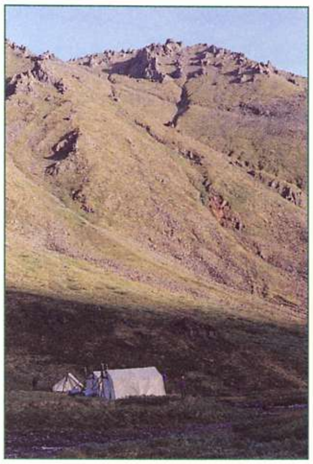
Underground development of the 900 Zone, on the wholly owned Debbie property near Port Alberni on Vancouver Island, was completed early in the year under a farmout agreement. The lessee, White Hawk Ventures Inc, can earn an interest in the 900 Zone by developing and mining the zone. The Zone has reserves of 24,619 tonnes grading 11.62 g/tonne gold. The ores would be barged to Stewart for processing at the Premier Gold mill. White Hawk has also expressed an interest in two of the other mineral zones on the property.

Yukon

Westmin has acquired three attractive projects in the Yukon since commencing exploration there in 1992. Entry into the Yukon was based on the excellent geological potential for large mineral deposits and the demonstrated support of Yukoners and their government for exploration and mine development. The resolution of land settlement agreements with aboriginal peoples is also progressing well with most First Nations supporting mining.

Westmin has focused on identifying under-explored geological environments that are favourable for large base and precious metal deposits. These generative activities have already produced several exciting exploration plays and expenditures by Westmin and its coventurers comprised approximately 12 per cent of all exploration in the Yukon in 1994.

Fairchild Project



Fairchild exploration site

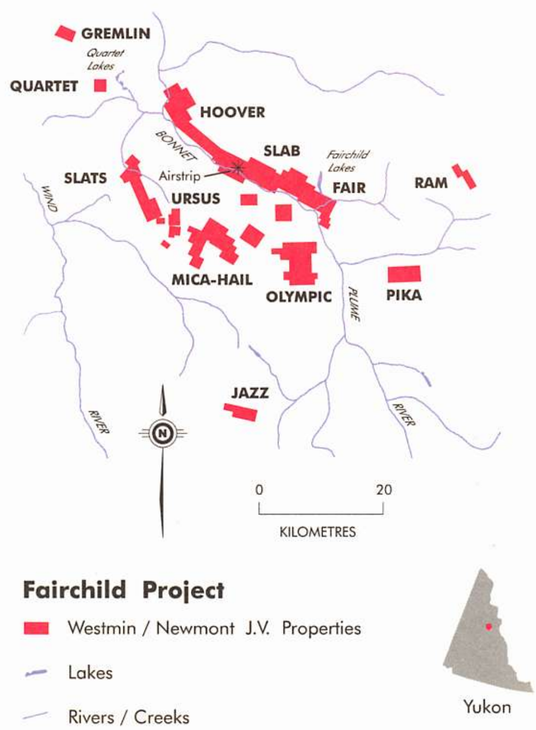
The project consists of 28,000 hectares of mineral claims in the Bonnet Plume River area of northeast Yukon. This large land holding is being aggressively explored by Westmin's joint venture partner, Newmont Mines Limited. Newmont can earn a 65 per cent interest in the properties by incurring cumulative expenditures of $10.5 million. Expenditures in 1993 and 1994 totalled $3.0 million, and a further $3.0 million program is proposed for 1995.

The joint venture is exploring the Proterozoic sedimentary rocks of the Wernecke Mountains for large, sediment-hosted, copper and gold deposits similar to the Olympic Dam deposit in Australia. Similarities in stratigraphy and ore deposit types in this part of the Yukon suggest a direct linkage to similar rocks in Australia more than one billion years ago.

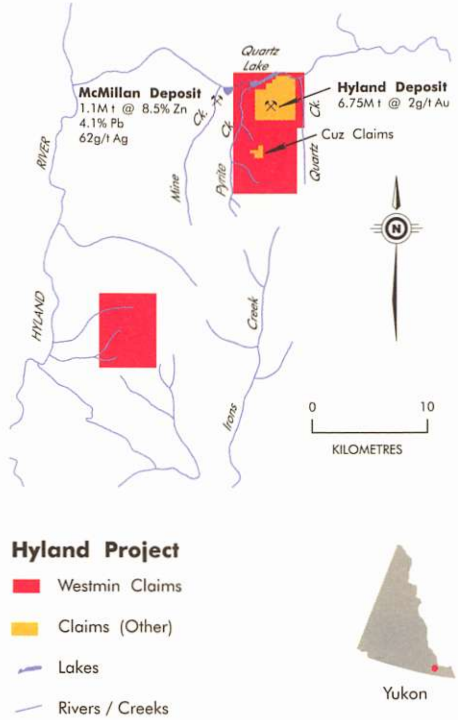
Exploration activity including initial drilling has defined numerous, large, hydrothermal breccias and alteration zones with widespread iron, copper and gold mineralization. Four properties were advanced to the drilling stage and 4,500 metres of diamond drilling were completed. Additional drilling is planned on several of these properties and on new targets.

The joint venture obtained a permit for a winter road, mobilized a bulldozer to its mineral claims and constructed a 1,300 metre air strip. The air strip provided improved access for the past year's exploration activities and for future programs.

Despite support for the project from the local community and governments, the Canadian Parks and Wilderness Society has launched an action against the Federal Government, Westmin and its joint venture partner, seeking cancellation of the land use permit issued by the Department of Indian Affairs and Northern Development. Westmin and its investors have complied with land use regulations related to the permit and will vigorously defend their actions and the right to explore their mineral claims. Westmin is also participating on an Advisory Group that is working with government and other interested parties to develop a management plan for the Bonnet Plume River Basin in support of the basin's nomination to the Canadian Heritage River System. Most of the participants seek a multiple land use plan that provides for responsible development while protecting the natural elements of the area.



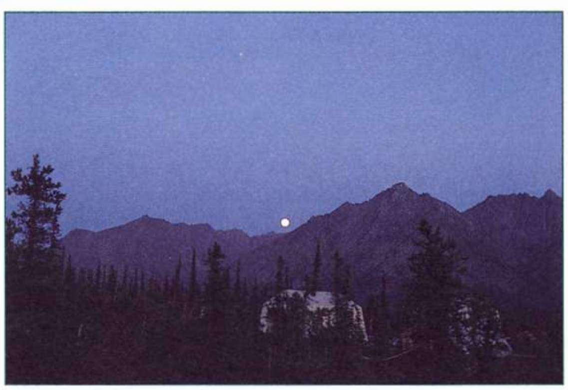
Hyland Project



During the past summer, Westmin acquired 540 claims in the Hyland River area of southeast Yukon, covering gold mineralization within Proterozoic sedimentary rocks. Westmin's 416 unit VER and JC claim groups surround the 62 units of Piglet claims that have a geologic reserve of 6.75 million tonnes grading 2.0 g/tonne gold in a shallow oxide zone. Initial geochemical surveys and mapping suggest that the gold mineralization is much more extensive within the favourable calcareous and argillaceous clastic sedimentary rocks. Immediately west of the VER claims is the McMillan base-precious metal deposit with reserves of 1.1 million tonnes grading 8.3% zinc, 4.1% lead and 62.2 g/tonne silver. Between the two deposits, pyrite and arsenopyrite mineralization with anomalous gold is well developed along Pyrite Creek on the VER claims, suggesting a large hydrothermal alteration system.

Similar gold, lead, zinc, arsenic and bismuth geochemical anomalies are present on the 124 unit SPK claim group where felsic porphyry dykes intrude the Proterozoic sedimentary rocks. Westmin's regional program identified numerous other gold target areas to be followed up next season. Exploration is evaluating the anomalous areas for bulk tonnage gold deposits similar to those in the Carlin District of Nevada and the large Telfer deposit in Australia.

Wolverine Project



Yukon exploration camp

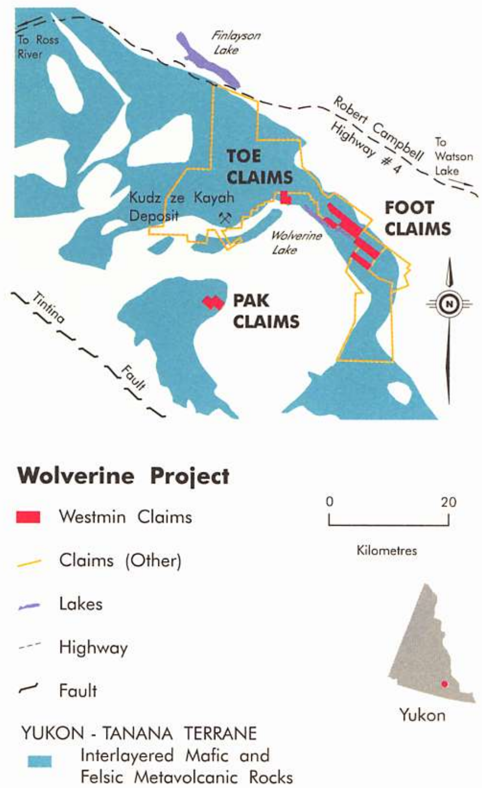
Westmin acquired an option to earn a 60 per cent interest in three properties (Pak, Foot and Toe) in the Yukon-Tanana Terrane of south central Yukon from Atna Resources Ltd. The properties are underlain by Devono-Missisipian volcanic and sedimentary rocks similar to those hosting the nearby Kudz ze Kayah (Tag) deposit recently discovered by Cominco. This volcanogenic massive sulphide deposit occurs at the interface of argillaceous rocks and iron formation with metamorphosed mafic and felsic volcanic rocks. The Tag deposit has geological reserves estimated at 13 million tonnes grading 5.5% zinc, 1.0% copper, 1.3% lead, 125 g/tonne silver and 1.2 g/tonne gold.

The Pak property, ten kilometres south of Cominco's discovery, contains both stratabound iron formation and thin beds of semi-massive sulphide mineralization with up to 3% zinc, 0.64% copper and 8 g/tonne silver over a one to two metre thickness. To the east on the Foot claims, an iron formation horizon and anomalous geochemistry are inferred over a length of seven kilometres from previous exploration. Two short drill holes in 1974 intersected weak base metal mineralization over 10 to 20 metre intervals in talcose schist. The Toe property is also underlain by the favourable stratigraphy and exhibits anomalous stream geochemistry.

These occurrences are very attractive exploration targets given the new discovery nearby and similarity to numerous other highly productive districts of similar geology in British Columbia, Alaska and elsewhere.

Alaska

Exploration has focused on base and precious metal deposits near tidewater that could provide ore to the Premier Gold mill or develop into stand-alone operations. Several attractive massive sulphide properties are under option.



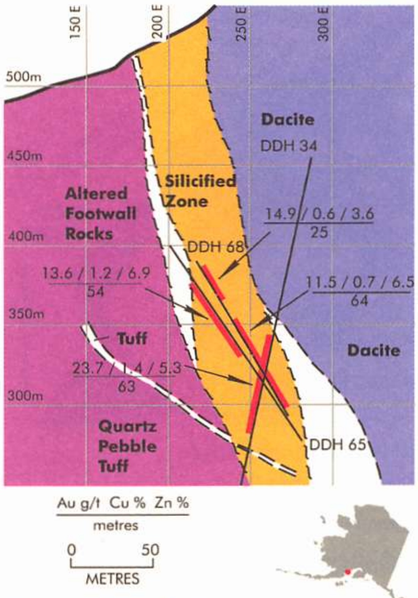
Johnson River

Westmin acquired an option on a lease with Cook Inlet Region, Inc. (CIRI), an Alaskan Native Corporation, in early 1993. The property is located 200 kilometres southwest of Anchorage within Lake Clark National Park. Westmin is the operator of the project and must spend U.S.$4 million on exploration, development and preparation of a feasibility report to earn a 70 per cent interest in the property.

The property hosts the high grade Johnson River deposit containing about one million tonnes of geological reserves grading 10.35 g/tonne gold, 7.8 g/tonne silver, 0.76% copper, 1.17% lead and 8.37% zinc. The deposit is hosted by a mixed sequence of Lower Jurassic dacitic to rhyolitic volcanic and subvolcanic intrusive rocks. Very little exploration has been conducted over the large 8,475 hectare property and numerous other mineralized zones remain virtually untested.

Field geologist, Yukon

A detailed economic analysis completed early in 1994 suggested that the Johnson deposit was an attractive exploration/development prospect with a good potential to provide a favourable return on investment. The ore zone would be accessed by a one kilometre drift that would provide a platform for the detailed exploration and definition drilling required for final feasibility. The concept involves mining ore and shipping it to Westmin's Premier Gold mill for processing.



Johnson River Project
Section 150 N

CIRI has made good progress together with the U.S. Park Service in evaluating the alternatives for access to CIRI's lands and preparing submissions to the U.S. Federal Government for conveyance of the lands required for a road and port facility. In support of this initiative, Westmin undertook extensive environmental and baseline studies to identify the preferred road route and port site for CIRI's application.

Early in 1994, Westmin announced a proposed joint venture with Prime International Equities that would have provided $8.0 million for development of the Johnson deposit. Prime did not complete its proposed financing and the deal was terminated a few months later. Efforts to locate another coventurer who shared Westmin's desire to fast track development of the Johnson deposit and ship the ores to the Premier Gold facility were unsuccessful. As a result the proposed $7 million underground development and drilling program was deferred. Most of the 1994 project work was focused on the environment, permitting and engineering, however, a field evaluation of the other mineralized zones was undertaken.

A program of surface diamond drilling along the south extension of the Johnson deposit is proposed for 1995 as Westmin evaluates new financing alternatives. The surface drilling program would search for extensions to and repetitions of the deposit, as well as guide the design of the proposed access drift. Permitting and engineering required for development will continue.

Frenchy/Woewodski

The Frenchy prospect located on Zarembo Island and Woewodski on Woewodski Island were acquired under option from Cominco Alaska Exploration on favourable terms. The properties are 45 and 30 kilometres southwest of Petersburg.

A massive pyritic sulphide zone crops out over 130 metres along Frenchy Creek. It is up to 2.1 metres thick grading 1.04% copper, 1.75% zinc, 17.3 g/tonne silver and 1.43 g/tonne gold. Field studies in 1994 were focused on mineralization controls. It is proposed to step out from the flat-lying, massive sulphide occurrence and drill for extensions of the zone in the surrounding low lying covered area.

The Woewodski prospect consists of numerous base and precious metal occurrences including the Lost Show which has a geological reserve of 499,000 tonnes grading 8.1% zinc, 0.6% lead and 77.76 g/tonne silver. Soil geochemical sampling and ground geophysical surveys over part of the property provided encouraging results. Additional surveys are planned by Westmin in 1995 to better define drill targets.

COAL

Westmin's coal properties are a substantial long-term Company asset providing more than $5 million a year in payments from the lease of a small portion of its coal reserves. As North American petroleum and natural gas reserves are depleted, the value of Westmin's coal properties will be enhanced.

Environmental concerns dampened interest in Canada's thermal coal industry in the late 1980's and early 1990's, however, the industry's continued role in Canada's energy picture is beginning to be better understood. As new clean coal technologies are developed and implemented, the future for coal looks brighter. The excess power capacity developed in the mid 1980's in Alberta is slowly being absorbed by industrial demand. As the economy of Alberta expands over the next few years capacity additions can be anticipated. The policy of Alberta Energy, to use coal as the preferred fuel for power generation, augurs well for new coal developments in Alberta. Westmin's coal lands are ideally suited to meet these demands.

Highvale Mine

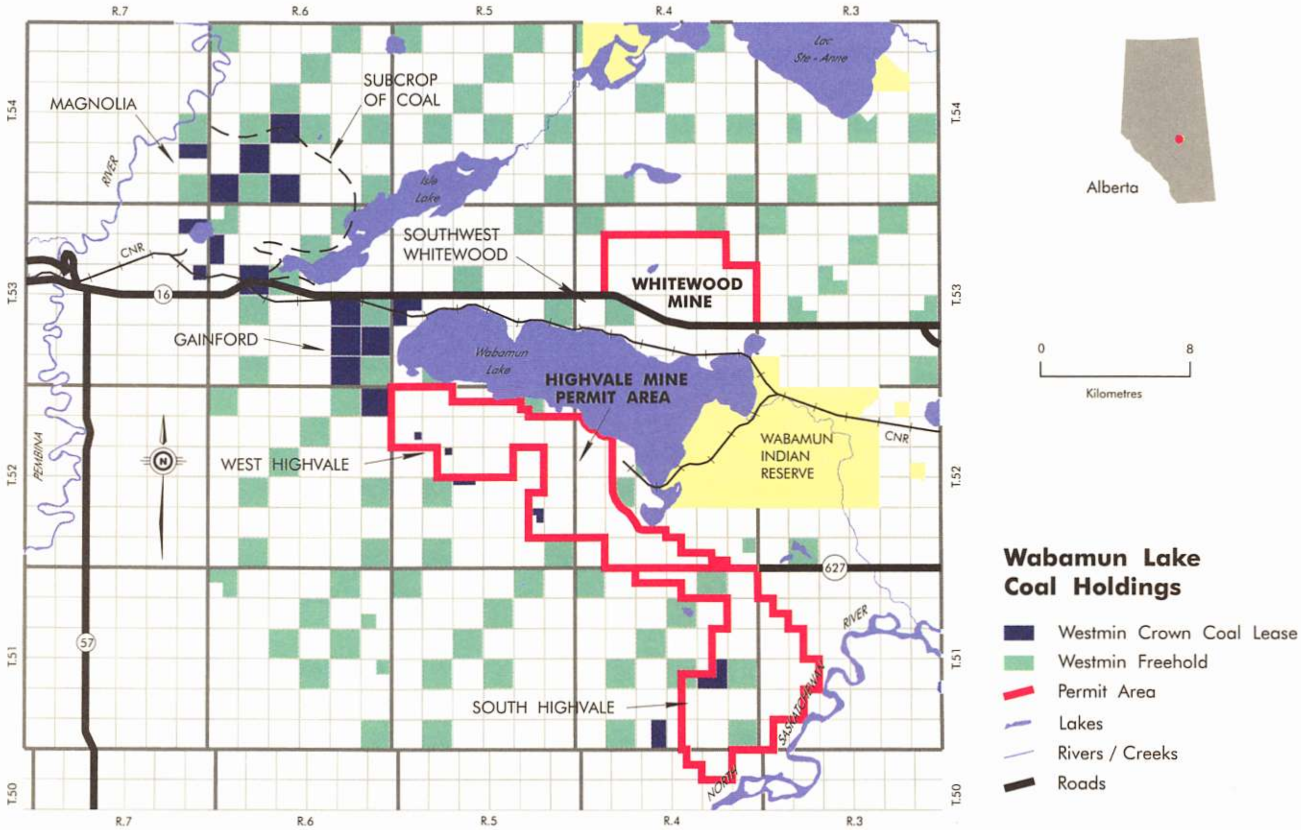
Wabamun Lake Area

During the early 1990's, Westmin added to its 182,000 hectares of freehold lands in north central Alberta by acquiring 6,800 hectares of Crown coal lease lands. The acquisition of the lease lands has allowed Westmin to consolidate and simplify its coal holdings in the Wabamun Lake area. The coal in the area occurs in gently dipping strata of the Ardley Formation that outcrops in the vicinity of Wabamun and Isle Lakes. They are sub-bituminous coals, having a low sulphur content of 0.2 to 0.3 per cent, and are ideally suited for power generation in mine-mouth coal-fired thermal plants.

Westmin now owns more than 362 million tonnes of strippable coal in the Wabamun Lake area, 226 million tonnes of which are adjacent to the Highvale and Whitewood Mines owned by TransAlta Utilities Corporation. This includes 58.5 million tonnes within the western and southern parts of the Highvale Mine permit area that are not under lease to TransAlta. These unleased reserves provide an opportunity to increase royalty income as mine development progresses.

Highvale Production

Westmin's revenue (including interest on the long-term receivable) from the Highvale Mine was approximately \$5.2 million during 1994 under two agreements with TransAlta. Tonnages under the earlier agreement fluctuate from year to year with approximately 2,029,000 tonnes mined in 1994. The more recent agreement on other lease lands provides



for a fixed tonnage of 1,550,923 tonnes per year. The initial leases continue until 2005 and 2021 respectively, and provide a long-term stable royalty to Westmin.

Overall production at Highvale is increasing slightly as TransAlta's power generation increases. During the first nine months of 1994 TransAlta experienced a 5.6 per cent increase in electric energy sales.

The Highvale Mine provides coal to the Sundance and Keephills Power Generation Plants which have a combined capacity of 2,731 megawatts. These plants represent approximately 60 per cent of TransAlta's installed capacity and produce more than 40 per cent of the electrical power sold in Alberta. As the Highvale Mine develops, consideration of mine development south of Highway 627 into the South Highvale area will provide Westmin an opportunity to lease additional coal lands to TransAlta. Westmin has 34 million tonnes of strippable coal within the mine permit area in South Highvale.

Whitewood and Magnolia Coalfields

The Whitewood Mine provides coal to the Wabamun Power Plant. This 569 megawatt plant is nearing the end of its life and TransAlta is considering alternatives for retrofitting or replacing this faclity. Should either alternative be selected, TransAlta will require additional reserves from outside the mine permit area to sustain the plant. Westmin has 36 million tonnes of shallow coal south of the Whitewood Mine that could be developed should the Whitewood Mine be extended. It also has freehold lands west of the current mine area that could also be developed.

The Magnolia coalfield is situated 15 kilometres west of the Whitewood Mine in a sparsely inhabited area. Westmin's reserves of strippable coal are 137 million tonnes at an attractive strip ratio of 4.5 bcm per tonne. Westmin's core drilling in 1993 confirmed the excellent coal quality of 8,250 BTU/lb, 21 per cent moisture, 18 per cent ash and 0.25 per cent sulphur. The total reserve in the Magnolia coalfield is estimated at approximately 280 million tonnes of low strip coal which is sufficient to support a 1,000 megawatt power plant for more than fifty years. The nearby highway, rail, pipeline and transmission line infrastructure makes the Magnolia Coalfield very attractive for early development.

Pickardville Area

Westmin's freehold coal lands extend into the Pickardville-Morinville coalfields, 60 kilometres north of Edmonton. The coal seams of the Horseshoe Canyon Formation subcrop over a large area. Westmin has reserves of 72 million tonnes, including 13 million tonnes of very low strip coal on its freehold lands. These sub-bituminous coals have a slightly higher calorific value and lower ash content than those of the Wabamun Lake area. Local infrastructure makes these coals attractive for development for use in steam generation for the heavy oil and tar sands industries. Recent consolidation of coal interests in the area enhances the possibility of future development in this coalfield.

Westmin Strippable Coal Reserves in the Wabamun Lake Area

Coalfield	Tonnage (million tonnes)
Magnolia	137
Whitewood	36
Gainford	131
West Highvale	24
South Highvale	34
	362

MARKETING

Concentrate Markets

The close proximity of Myra Falls Operations to tidewater on the Pacific Rim and the Company's ownership of an efficient ship loading facility are competitive advantages that will continue to generate benefits in the future. Concentrate is trucked 90 kilometres from the minesite to tidewater at Campbell River where it is stored in the warehouse to await loading and shipment on ocean-going vessels. At full production shipments are generally made on a monthly basis in increments of 6,000 tonnes - the standard size of a ship's cargo hold.

Ship loading at Campbell River, BC

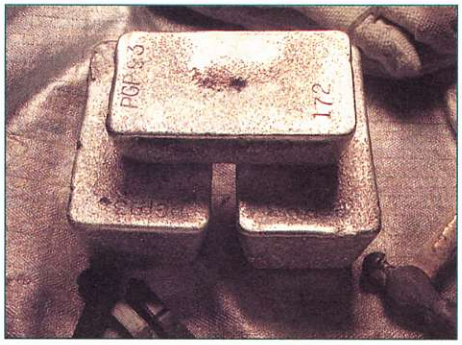
The primary market for the Company's products is Asia, with the majority of sales being made to Japanese and Korean Smelters. Metals produced from Myra Falls copper and zinc concentrate are not only consumed in Japan and Korea but exported by them to other countries in this fast growing economic region.

From 1993 to 1994 there was a sharp shift in copper concentrate market terms in favour of concentrate producers like Westmin, as smelting charges fell almost 20 per cent on a U.S. dollar basis. This was the result of mine closures and cutbacks during a period of weak copper prices. Supplies of copper concentrate will increase in 1995 as new projects and existing mines generate more product. However, smelter expansions that are well underway will surpass anticipated mine supply increases to an extent that the market for copper concentrate should remain healthy for 1995 and into 1996. Terms in 1995 are forecast to continue to improve in favour of the mines. Evidence of this strong market for copper concentrate has been indicated by an increasing number of inquiries received for Myra Falls copper concentrate following the resumption of Myra Falls production in the fourth quarter.

Terms for zinc concentrate also improved in 1994 with concentrate supply factors dictating the lower trend in smelting charges. Lower smelting charges were not easily achieved in negotiations between mines and smelters due to the low zinc prices and high metal stocks in early 1994. Negotiations between mines and smelters worldwide were protracted and 1994 annual contracts were not settled until as late as April 1994. This trend will continue into 1995 as the market for zinc concentrate and smelting terms are forecast to be largely unchanged from 1994.

Zinc concentrate production from the Myra Falls Operations is forecast to double by 1996 as a result of the zinc-rich ores from the Battle/Gap Zone scheduled for mining and processing. The marketing strategy will be to place as much of this additional zinc concentrate as possible into the Pacific Rim smelting market. The focus will be put on existing customers and countries with an expanding demand for zinc concentrate and metal.

The Company wishes to recognize its long-term customers for their patience during the extended labour dispute at Myra Falls. Their willingness to resume, and in some cases expand on, previous business volumes immediately following the resumption of production reflects a long-term commitment to Westmin and its employees.


Premier doré bars

Doré Markets

The Premier Gold Operations produced two doré products in 1994, one from ore mined at the Premier Mine and another from the custom processing of the Snip Mine's gold concentrate. Doré produced from Premier ore was refined in British Columbia and the United Kingdom. The doré product from the Snip Mine was refined in Japan.

In 1995 the Premier Gold Operations doré refining requirements will again be tendered in an effort to seek the best possible refining terms available in the market.

Metal Prices

The price of copper has steadily climbed since it bottomed in the fourth quarter of 1993. The strength in copper has been fuelled by strong demand and a steady draw-down of metal inventories. In the first nine months of 1994 the combined London Metal Exchange (LME) and Commodity Exchange Market (COMEX) stock levels decreased by over 280,000 tonnes to a level representing about 4.5 weeks of world consumption. Historically, a fall in copper stock levels below 6 weeks of world consumption has been considered a shortage of metal. It is estimated that mine production in 1994 will decrease by roughly one per cent compared to 1993; the main factor being the low metal price in 1993 forcing many marginal producers to suspend operations. The International Copper Study Group estimated that in the first seven months of 1994 copper consumption increased by a healthy 3.2 per cent. The U.S. showed spectacular growth in consumption of copper in the first half of 1994 with a 15 per cent increase compared to the same period in 1993. Both Europe and the newly industrialized countries of Asia also exhibited significant increases in consumption during the first seven months of 1994.

The price of zinc remained in a narrow range through most of 1994 mainly due to very large inventories of metal overhanging the market. At 1994 year end the LME alone was reporting zinc metal inventory stock levels of 1.18 million tonnes. When producers' and consumers' inventories are added to the LME stocks a supply representing approximately 17 weeks of world consumption was available. As was the case in 1993, low prices and relatively high treatment charges in 1994 held mine production down with estimates in the order of two per cent less metal in concentrates being produced than in 1993. The International Lead Zinc Study Group estimates Western world consumption in 1994 was in the order of a two per cent increase over 1993. Demand in North America was particularly strong as a result of the robust economic growth in the U.S. economy. In late 1994 zinc stocks began to decline causing a significant price improvement of more than US$0.50/lb.

Precious metal prices averaged higher in 1994 than 1993 as a result of improved supply-demand fundamentals. Gold in particular benefitted from the lack of central bank sales and a steadily increasing demand from the Far East. Both India and China continue to make large purchases on a year-to-year basis as a result of the relaxation of market regulations for individual investors and sustained economic growth. The World Gold Council estimated a 6.3 per cent increase in demand for gold for the first three quarters of 1994 compared to the same period in 1993.

Hedging

As an instrument to minimize the impact of volatile swings in metal prices, the Company from time to time implements a hedging program. Westmin used an opportunity in the metal market in 1994 to limit its downside risk on roughly 42 per cent of its forecast copper production for 1995. This program allows the Company to "lock in" a floor price while at the same time participating in any upside price movement above the strike price of the call option. The Company uses the LME for its hedging program. This is the same exchange which generates the final prices at which Westmin's base metal production is sold. As of 1994 year end, Westmin had fixed a floor price of US$1.00 per pound on 9,000 tonnes (19.84 million pounds) of copper; the strike price for the call associated with each position is US$1.077 per pound. The positions are evenly spread over the 1995 calender year and are based on monthly average prices.

Average Metal Prices and Exchange Rates

	1994	1993	1992	1991
Gold (US$/oz)	**$384**	$360	$344	$384
Silver (US$/oz)	**$5.29**	$4.31	$3.95	$4.05
Copper (US$/lb)	**$1.05**	$0.87	$1.04	$1.06
Zinc (US$/lb)	**$0.45**	$0.44	$0.56	$0.51
Exchange (Cdn/US$)	**$0.73**	$0.78	$0.83	$0.87

Outlook

The long-awaited synchronized improvement in the major world economies seems to have finally arrived. The U.S. economy is booming while strong performances are clearly taking place in most East Asian countries (GDP growth between 5 and 12 per cent). It is generally believed that Japan's economy has bottomed and an upward trend has started. Growth in Europe is being led by the U.K., while Germany exhibited clear signs of recovery in the third and fourth quarters of 1994.

The concerted economic growth combined with the strong fundamentals in the copper market should translate into continued increases in copper consumption and a bullish price scenario. Although increases in copper mine production are predicted, demand is still likely to outpace supply in 1995 as the healthy economic environment continues. The zinc market is also expected to benefit from the additional consumption associated with a buoyant world economy; but the large inventory levels will act, for a time, as a buffer against further upward price movements. In light of the continued lower treatment charges and a slightly higher zinc price, mine production should reverse from the recent down trend and begin to recover as some idle mines reopen. The expectation for the Far East and Asian economies to continue with their recoveries bodes well for the gold market. Currently, statistics from the World Gold Council put the current combined gold demand from India and China at 35 per cent of the overall world demand, an increase from 22 per cent in 1990. In the absence of any significant central bank sales, precious metal markets are expected to remain strong.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Management Discussion and Analysis provides supplemental analysis and background material on the current year's financial results, initiatives taken during the year and factors expected to impact the Company in the future.

Two significant events took place during 1994. The labour dispute at the Myra Falls Operations ended in August and in December the Company restructured its capital by repurchasing its Class B Series 3 Preferred Shares through the issuance of Common Shares.

Financial and Operating Costs

The net loss for 1994 was $24.8 million ($0.77 per share) compared to a loss of $27.0 million ($0.83 per share) in 1993.

Total mining revenues rose slightly to $32.7 million from $30.9 million in 1993. Revenues at Myra Falls were $16.7 million versus $16.1 million the previous year - both years were low due to the labour dispute. With the end of the dispute, Myra Falls revenues are expected to return to the $100 million plus range in 1995. At the Premier Gold Operations revenues were $10.8 million compared to $10.2 million in 1993. Coal revenues were $5.2 million compared to $4.5 million the previous year.

Investment and other income was $1.5 million compared to $6.1 million in 1993. The Company netted $1.1 million (1993 - $1.9 million) from Alberta Royalty Tax credits during the year and $0.4 million (1993 - $4.2 million) in dividend and interest income. The reduction in investment income was largely a result of the sale of the investment in Noranda Inc. in July 1993.

Operating expenses in 1994 were $41.6 million compared to $43.0 million in 1993. The breakdown of operating costs was $26.6 million (1993 - $31.2 million) at Myra Falls Operations; $14.9 million (1993 - $11.5 million) at Premier Gold Operations and $0.1 million (1993 - $0.3 million) on coal. Costs have been reduced dramatically over the past few years through the adoption of high-capacity bulk mining methods and the use of more productive equipment. With the settlement of the Myra Falls labour dispute, costs at this operation are expected to be in the range of $45 per tonne ($53 million per year). To give some perspective, costs which averaged $68.54 per tonne in 1991 had been reduced to $51.84 per tonne in the first quarter of 1993, the last full quarter of production prior to the labour dispute. Each dollar reduction in unit operating costs translates into a $1.3 million per year increase in cash flow. This is a very significant factor in the future of the Myra Falls Operations.

The Premier Gold Operations was cash positive for the first half of 1994. However in the second half of the year the operation did not cover its operating costs, even after inclusion of profits relating to the Snip custom milling contract. Operating cash flows were negative $2.4 million for the year compared to positive $0.3 million in 1993. After provision for mine closure and exploration costs there was a deficit of $4.1 million in 1994 compared to a deficit of $1.3 million in the previous year. Management is watching this situation closely and will not tolerate large continuing losses.

Cash flow from coal operations was $5.4 million compared to $5.5 million in 1993. Coal continues to provide a strong and consistent cash flow for the Company.

Depletion and depreciation expense was $4.7 million in 1994 compared to $9.1 million in 1993. This expense will climb to its normal level of about $18 million per year in 1995 once Myra Falls gets back to full production. There were no depletion and depreciation charges for the Premier Gold Operations as these assets were entirely written off in prior years. The Company continues to expense any ongoing capital relating to this operation.

Interest and financing costs decreased slightly from $7.5 million in 1993 to $7.4 million in 1994. Total debt increased from $82.8 million at the beginning of the year to $130.9 million at December 31 1994 and average interest rates increased from 6.3 per cent in 1993 to 6.8 per cent in 1994. Higher debt levels were offset by lower interest rates early in 1994. Corporate administration costs were $2.1 million in 1994 compared to $1.9 million in 1993.

The Company continued an aggressive but focused exploration program in 1994. Offsite mineral exploration totalled $2.5 million in 1994 compared to $2.3 million in 1993. The significant programs undertaken in 1994, involving expenditures by the Company, were the Hyland property in the Yukon ($0.5 million), and the Johnson River ($0.5 million) and Woewodski ($0.2 million) properties in Alaska. Exploration at the two operating sites is classified for financial presentation purposes as operating costs. During 1994 $0.2 million (1993 - $0.2 million) was spent at Myra Falls Operations and $0.9 million (1993 - $0.7 million) was spent at Premier Gold. In 1995 Myra Falls exploration is expected to be $0.7 million and Premier exploration is forecast at $0.4 million.

Financial Condition and Liquidity

Cash Flow

The following table summarizes the sources and uses of cash in 1994 and 1993. This is an abbreviated format used by management. For purposes of this table ongoing capital is deducted from operating cash flows.

$ Millions	**1994**	1993
Myra Falls	$ (11.9)	$ (18.9)
Premier Gold	(4.1)	(1.3)
Coal	5.4	5.5
Investment and Other Income	1.5	6.1
Working Capital	(10.5)	8.2
Other	(6.3)	(4.6)
Interest expense	(7.4)	(7.5)
Total Operating Cash Deficit	(33.3)	(12.5)

After $3.7 million in capital expenditures there was a shortfall in cash flow at Myra Falls Operations of $11.9 million in 1994. This abnormal situation related to the labour dispute. In 1995 strong, positive, cash flow and operating profit is forecast for Myra Falls and the Company. As noted earlier, Premier

Gold had a $4.1 million negative cash flow in 1994. For the overall Company there was a $50.7 million deficit in cash flow after interest, dividends and preferred share redemptions in 1994 compared to a $31.5 million deficit in 1993.

With the current outlook for metal prices and projected production volumes a substantial amount of cash flow will be generated in 1995. It is the goal of management to make substantial reductions in debt levels and strengthen the balance sheet.

Financing

Total loans outstanding were $130.9 million at December 31 1994, compared with $82.8 million at the end of 1993. Principal and interest payments for the non-recourse coal loan were made in midyear from the cash proceeds of coal sales. The excess of coal proceeds over cash debt obligations was $1.0 million in 1994 and is expected to increase in the future, ensuring that the coal assets are not only self-financing but are also generating surplus cash flow for general corporate purposes. Westmin's cash shortfall in 1994 was made up by additional loans from the Company's major shareholder, Brascade Resources Inc. ("Brascade"). At December 31 1994 loans from Brascade totalled $79.0 million (1993 - $32.0 million). The $10 million operating line of credit with a Canadian chartered bank was maintained. The Brascade loan is subordinated to this bank line of credit.

In December 1994 the Company reached agreement with the holder (Brascade) of its Class B Series 3 Preferred Shares, to repurchase them for a price of $18.7 million or $6.65 per Preferred Share. These shares were originally issued in 1986 with a net stated capital of $26.8 million or $9.55 per share. The purchase price was paid for by the issuance of 3,053,571 Westmin Common Shares which increased Brascade's ownership in Westmin by 1.7 per cent to approximately 76.2 per cent. The Company elected to reflect the issuance of the new Common Shares at a nominal $1 with the $26.8 million added to contributed surplus. At current dividend rates, an annual cash dividend saving of $1.6 million will be realized by the Company from this conversion.

The Brascade loan facility has been restructured into an $85 million secured credit facility with up to $70 million in the form of a five year term facility secured by the Myra Falls Operations and up to $15 million in the form of a secured, revolving, working capital facility. The term facility is repayable over five years subject to earlier repayment based on available cash flows. Included in the current portion of long-term debt is $10 million representing the 1995 repayment.

In 1995 approximately $12.3 million in capital is required for the Myra Falls Operations, mainly for the development of the Gap/Battle orebody. It is expected with improvement in base metal prices and resumption of full production at Myra Falls, 1995 financial commitments, including dividends and the $10 million repayment on the Brascade loan facility, will be entirely met from internal cash flow.

Environment

Spending on environmental protection, both operating and capital, amounted to $1.4 million in 1994 (1993 - $1.6 million). Discussions continue with the British Columbia government authorities regarding the size of the liability for future site restoration costs. Westmin's estimated costs for Myra Falls Operations are $22.0 million and for Premier Gold $3.8 million. No reflection has been made for the salvage value of the operations' assets upon mine closure. As at December 31 1994, $4.0 million (1993 - $2.7 million) had been accrued against these liabilities. The Company has lodged letters of credit with the Province of British Columbia totalling $4.0 million for Myra Falls and $1.0 million for Premier Gold. Discussions continue with the Province regarding the total security required. Once closure plans and their cost estimates are finalized the Company will be required to provide additional security over an agreed time frame. The Company's position is to spread the lodging of additional security over the remaining mine life such that when an operation shuts down on a permanent basis the full security would have been lodged.

Hedging

The Company's revenues are affected by various external factors, the main ones being metal prices and exchange and interest rates. The table below summarizes the impact of those factors on 1995 projected cash flows.

Sensitivity Analysis

Sensitivity Analysis

Factor	Variance	Cash Flow Impact (CDN $ Millions)
Price		
Copper	U.S. $0.01/lb.	0.6
Zinc	U.S. $0.01/lb.	0.7
Gold	U.S. $1/oz.	0.1
Exchange Rate ($ U.S./CDN)	U.S. $0.01	1.5
Canadian Prime Rate	1%	0.8

In order to minimize the impact of adverse swings in metal prices and exchange and interest rates, the Company maintains a hedging program. The general limitation on the metal price hedging is 50 per cent of planned metal production. In 1994 there were no metal hedging positions taken on Myra Falls production. Gold and silver production derived from Snip concentrates processed at Premier are routinely hedged for short periods of time. This is done to eliminate risks associated with metal price changes between the time when the concentrates are purchased and the doré is sold. For 1995, approximately 42 per cent (9,000 tonnes) of expected Myra Falls copper production has been hedged. Under this strategy a floor price of US$1.00 per pound was established and Westmin has full price participation above US$1.077. The cost of this "insurance" is US$0.077 per pound of copper or US$1.5 million.

The U.S. dollar loan relating to the coal royalty revenue stream has been entirely hedged for both principal and interest payments. The total amount of the hedge at December 31 1994 was Canadian $77.1 million. The coal loan represents 35 per cent of total corporate debt. The hedge results in an effective interest rate of 9.45 per cent over the life of the debt. The remaining long-term debt is floating at current rates of approximately 8.5 per cent.

Outlook

The outlook for the Company for 1995 and beyond is much improved with the resumption of full production at Myra Falls and the attainment of much better cost and productivity levels. Prices for copper and zinc are expected to be far more favourable than the past few years and the Canadian dollar is expected to test its lowest level in nearly ten years. All of these factors along with high zinc production from the new Gap/Battle Zone at Myra Falls should have a dramatic positive impact on cash flows and the Company should be in a position to meet all financial commitments, including dividends, in 1995.

Taxation

The cash taxes the Company pays are either capital taxes or minimum resource taxes based on mining cash flows. The Company has substantial tax pools that will shelter income and mining taxes for several years. Estimated income tax pools are approximately $330 million (including $105 million of earned depletion pools) at the end of 1994 and mining tax pools for Myra Falls and Premier Gold are approximately $460 million and $117 million respectively.

Risks and Uncertainties

Any discussion on the outlook of the Company should be premised by a statement about Westmin's business. Mining, is by its nature, subject to unexpected risks. The goals of the Directors and Management of the Company are to identify and manage these risks and adopt appropriate strategies to ensure the viability and growth of the Company.

At the operating level, metal prices and exchange rates are subject to fluctuation. Although not anticipating major corrections to metal prices, management will continue to monitor these fluctuations and take appropriate hedging action when the situation warrants it.

The concern over the rising cost of government continues, particularly taxes and fees that are not based on profits. Management continues to work with provincial and national mining associations In efforts to control increases in all levels of taxation. A weak Canadian dollar has both positive and negative effects on the Company. The negative impact is higher short-term interest rates as central banks attempt to support the dollar level. The positive side is the lower Canadian dollar because all metal sales are denominated in U.S. dollars (Refer to the Sensitivity Analysis to see the impact on the Company).

As mentioned earlier under the operating results of Premier Gold, management will not tolerate continuing large losses at this operation and will monitor this situation on a month-to-month basis. Premier poses limited downside risk to the Company as all assets have been written off and financial accruals have been made for the shutdown costs. An estimated $1 million in cash is expected to be required in severance and other shutdown costs.

CORPORATE HIGHLIGHTS

Financial Highlights

(thousands except per share data)	**1994**	1993
Revenues	**34,239**	36,962
- Mining	**32,718**	30,863
- Investment and other income	**1,521**	6,099
Cash Flow From Operations	**(16,708)**	(15,277)
Net Loss	**24,786**	27,021
Net Loss Per Share	**0.77**	0.83
Long-Term Debt	**119,571**	81,745
Capital Expenditures	**3,756**	4,792
Total Assets	**202,097**	184,578
Shareholders' Equity	**50,178**	91,935
Common Shares Outstanding		
Total at December 31	**47,110,120**	43,378,681
Annual Average	**43,536,239**	43,220,446
Common Shares traded on the Toronto Stock Exchange	**1,968,796**	4,202,565

Operating Highlights

	1994	1993
Myra Falls Operations		
Ore Milled		
- Tonnes	**251,560**	433,410
- Daily average (tonnes/24 hour day)		
- based on operating days	**2,676**	3,386
- based on 365 days	**689**	1,187
Production - Payable Metals		
Gold (oz.)	**3,977**	8,810
Silver (oz.)	**95,907**	122,626
Copper (000's lbs.)	**8,616**	14,900
Zinc (000's lbs.)	**9,314**	17,481
Geological Reserves (tonnes)	**12,526,235**	12,514,800
Premier Gold Operations		
Ore Mined (tonnes)	**151,435**	106,060
Ore Milled		
- Tonnes **(1)**	**173,352**	162,200
- Daily average (tonnes/8 hour day)		
- based on operating days	**680**	651
- based on 365 days	**475**	444
Production - Payable Metals (Net Interest) **(2)**		
Gold (oz.)	**60,523**	21,120
Silver (oz.)	**191,277**	140,544
Geological Reserves (tonnes)	**113,225**	151,200

(1)1994 production includes 5,441 tonnes (1993 - nil) of Snip concentrate and 3,737 tonnes (1993 - 2,028) of other custom milling ore.

(2)1994 production includes 43,315 ounces (1993 - nil) of gold and 20,800 ounces (1993 - nil) of silver produced from the processing of Snip concentrate.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of Westmin Resources Limited and all information in the annual report are the responsibility of management and have been approved by the Board of Directors. The financial statements necessarily include some amounts that are based on management's best estimates, which have been made using careful judgment.

The financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. Financial and operating data elsewhere in the annual report are consistent with the information contained in the financial statements.

In fulfilling its responsibilities, management of Westmin Resources Limited has developed and continues to maintain systems of internal accounting controls including written policies and procedures and segregation of duties and responsibilities.

Although no cost effective system of internal controls will prevent or detect all errors and irregularities, these systems are designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, transactions are properly recorded and the financial records are reliable for preparing the financial statements.

The Board of Directors carries out its responsibility for the financial statements in this annual report principally through its Audit Committee, consisting solely of non-executive directors. The Audit Committee meets periodically with management and with external auditors to discuss the results of audit examinations with respect to the adequacy of internal accounting controls and to review and discuss the financial statements and financial reporting matters.

The financial statements have been audited by Deloitte & Touche, Chartered Accountants, who have full access to the Audit Committee, with and without the presence of management. Their report follows.

Vancouver, British Columbia
Friday, January 27 1995

Walter T. Segsworth
President

Vice-President, Finance & Treasurer
Ross A. Mitchell

AUDITORS' REPORT

The Shareholders
Westmin Resources Limited

We have audited the balance sheets of Westmin Resources Limited as at December 31 1994 and 1993 and the statements of earnings, retained earnings (deficit) and changes in financial position for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free 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 financial statements present fairly, in all material respects, the financial position of the Company as at December 31 1994 and 1993 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Vancouver, British Columbia
Friday, January 27 1995

Deloitte & Touche

Chartered Accountants

STATEMENT OF EARNINGS

Years Ended December 31

thousands	note	1994	1993
Revenue			
Mining		**$ 32,718**	$ 30,863
Investment and other income	*9*	**1,521**	6,099
		34,239	36,962
Expenses			
Operating		**41,609**	42,993
Depletion and depreciation		**4,666**	9,118
Interest and financing expenses		**7,393**	7,490
Mineral exploration		**2,465**	2,316
Administration		**2,076**	1,903
		58,209	63,820
Loss before taxes		**23,970**	26,858
Income, resource and capital taxes	*10*	**816**	163
Net loss for the year		**$ 24,786**	$ 27,021
Loss per common share	*11*	**$ 0.77**	$ 0.83

STATEMENT OF RETAINED EARNINGS (DEFICIT)

Years Ended December 31

thousands	note	1994	1993
Balance at beginning of year		**$ (134,678)**	$ (90,086)
Net loss for the year		**(24,786)**	(27,021)
		(159,464)	(117,107)
Dividends	*12*	**(17,309)**	(17,571)
Balance at end of year		**$ (176,773)**	$ (134,678)

BALANCE SHEET
December 31

thousands	*note*	**1994**	1993
ASSETS			
Current assets			
Cash		**$ -**	$ 20
Accounts receivable	*2*	**17,623**	4,080
Inventories	*3*	**15,998**	9,534
		33,621	13,634
Investments	*4*	**6,857**	8,310
Capital assets	*5*	**154,613**	155,523
Other		**7,006**	7,111
		$ 202,097	$ 184,578
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable		**$ 16,988**	$ 7,063
Current portion of long-term debt		**11,344**	1,101
		28,332	8,164
Long-term debt	*6*	**119,571**	81,745
Other liabilities	*7*	**4,016**	2,734
		151,919	92,643
Shareholders' equity	*8*	**50,178**	91,935
		$ 202,097	$ 184,578
Commitments	*14*		

On behalf of the board

Paul M. Marshall, Director

Walter T. Segsworth, Director

STATEMENT OF CHANGES IN FINANCIAL POSITION

Years Ended December 31

thousands	*note*	**1994**	1993
Operating Activities			
Cash provided from (used for) operations	*14*	**$ (16,708)**	$ (15,277)
Changes in non-cash working capital		**(10,486)**	8,156
		(27,194)	(7,121)
Financing Activities			
Long-term debt issued		**49,170**	-
Repayment of long-term debt		**(1,101)**	(69,611)
Repurchase of Series 1 Class B Preferred Shares		**(3,309)**	(2,972)
Common Share capital		**3,647**	2,060
Dividends		**(17,309)**	(17,571)
Other		**817**	1,730
		31,915	(86,364)
Investment Activities			
Investments		**1,517**	100,271
Capital assets		**(3,756)**	(4,792)
Other assets		**(37)**	240
Mineral exploration		**(2,465)**	(2,316)
		(4,741)	93,403
Cash			
Decrease		**(20)**	(82)
Beginning of year		**20**	102
End of year		**$ -**	$ 20

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Accounting Policies

These financial statements are prepared in accordance with accounting principles generally accepted in Canada and include the accounts of Westmin Resources Limited ("The Company").

Investments

Investments are carried at cost or at cost less amounts written off to reflect a permanent impairment in value.

Concentrate Settlements Receivable and Concentrate Inventory

Concentrate settlements receivable and concentrate inventory are valued at current metal prices less provision for estimated market adjustments, treatment and marketing charges. In accordance with the terms of the sales contracts, final settlements are made at prices prevailing at future dates and the amounts eventually received by the Company may vary from the amounts included in receivables and inventory at the balance sheet date. From time to time the Company establishes the price it will receive for a portion of its production by using forward sales and option contracts available in the metal and currency markets.

Materials and Supplies
Materials and supplies are valued at the lower of average cost and net realizable value.

Long-term Debt Issuance Expenses
The costs incurred in issuing long-term debt are deferred and amortized over the term of the debt facility.

Capital Assets
Capital assets are recorded at the lower of cost and estimated net recoverable amount.

Mineral exploration costs (including acquisition, exploration and development expenditures and related overhead) pertaining to individual mineral prospects are charged to income as incurred until an economic orebody is defined. Development costs and initial start-up operations (ineluding interest costs) are capitalized until a commercial production level is deemed to have been reached, at which time these costs are amortized using the unit of production method based upon economically recoverable ore reserves.

Mining plant and related equipment costs, including capitalized interest, are depreciated substantially on the unit-of-production method. Other equipment is depreciated based on estimated useful life.

Coal and other properties are carried at cost less any amount written off in recognition of a permanent decline in value. Upon commencement of production, costs are amortized on the unit-of-production method based upon the life of the reserves.

2. Accounts Receivable

thousands	**1994**	1993
Concentrate and doré settlements	**$ 13,149**	$ -
Other accounts receivable	**4,474**	4,080
	$ 17,623	$ 4,080

3. Inventories

thousands	**1994**	1993
Metals	**$ 11,051**	$ 3,404
Materials and supplies	**4,947**	6,130
	$ 15,998	$ 9,534

4. Investments

thousands	**1994**	1993
Long-term coal receivable	**$ 4,939**	$ 5,194
Other investments	**1,918**	3,116
	$ 6,857	$ 8,310

Long-term Receivable - Coal

This receivable, amounting to $8,450,000 (1993 - $9,150,000) is due in annual instalments ranging from $700,000 to $800,000 until July 1, 2005. With the exception of the current portion of $700,000 (1993 - $700,000) which is included in current assets, the remaining instalments are carried at a discounted value of $4,939,074 (1993 - $5,194,000) based on an assumed interest rate of eight per cent.

5. Capital Assets

thousands		**1994**		1993
	Cost	**Accumulated depletion and depreciation**	**Net**	Net
Properties and development	**$ 188,273**	**$ 131,265**	**$ 57,008**	$ 56,827
Plant and equipment	**224,029**	**129,291**	**94,738**	95,556
Mining properties	**412,302**	**260,556**	**151,746**	152,383
Coal properties and other capital assets	**7,276**	**4,409**	**2,867**	3,140
	$ 419,578	**$ 264,965**	**$ 154,613**	$ 155,523

6. Long-term Debt

thousands	**1994**	1993
Coal Loan	**$ 45,595**	$ 46,696
Other	**85,320**	36,150
	130,915	82,846
Less current portion		
Coal Loan	**1,344**	1,101
Other	**10,000**	-
	$ 119,571	$ 81,745

Coal Loan

In November 1992, the Company entered into a US$34,000,000 coal financing repayable over a fifteen year term on July 15 of each year. The loan is secured on a non-recourse basis, subject to limited exceptions, on the Company's coal royalty and lease revenues. In order to fix the exchange rate at which the Company will make annual principal and interest payments on the coal loan, the Company has entered into a forward purchase agreement with an affiliated company wherein it will purchase on July 15 of each year until 2007, an amount of U.S. dollars ranging from $3,530,000 in 1995 to $3,748,000 in 2007 at exchange rates ranging from 1.3370 in 1995 to 1.529 in 2007. The cost of the hedging contract and issuance expenses associated with the loan were deferred and are being amortized over the life of the loan. The unamortized balance of $6,554,000 (1993 - $6,696,000) is included in other assets. The effective financing rate over the term of the loan will be 9.45 per cent. Scheduled principal repayments over the next five years in Canadian dollars are:

1995	1,344,000	1996	1,583,000	1997	1,817,000
1998	1,942,000	1999	2,301,000		

Other

Other debt includes a loan from the Company's major shareholder, Brascade Resources Inc., ("Brascade") and a $10,000,000 bank demand operating line of credit. On December 31, 1994 the Brascade loan consisted of $79,056,000 (1993 - $32,000,000) drawn in advances and $3,680,000 (1993 - $3,680,000) drawn under letters of credit and the bank line included $6,264,000 (1993 - $4,150,000) drawn in advances and $3,398,000 (1993 - $3,430,000) drawn under letters of credit. The Brascade loan is subordinated to the bank line.

The Brascade loan is an $85,000,000 credit facility, with up to $70,000,000 in the form of a five year term facility secured by the Myra Falls Operations and up to $15,000,000 in the form of a secured, revolving, working capital loan. The term facility is repayable over five years subject to earlier repayment based on available cash flows. Included in the current portion of long-term debt is $10,000,000 representing the 1995 repayment on the term facility.

There are no set terms of repayment for the bank line of credit and the Brascade working capital line. As it is the Company's intention to renew these facilities, drawdowns have been treated as long-term debt.

With the exception of the coal loan, each facility is on a floating rate basis and has various drawing options including banker's acceptances and Canadian and U.S. dollar loans. The weighted average interest rate on all debt was 6.8 per cent during 1994 (1993 - 6.3 per cent).

7. Other Liabilities

Provision for Mine Closure Costs

The Company has reviewed the anticipated costs associated with the closure of its two mines, including the net costs of dismantling and selling of equipment, reclamation and employee severances. These costs are accrued over the remaining lives of the mines. The 1994 provision for these anticipated costs was $1,537,000 (1993 - $1,319,000) and is included in operating costs.

An analysis of the changes in the provision for mine closure costs for the year ended December 31 1994 is shown below:

thousands	**1994**	1993
Balance, beginning of year	**$ 2,734**	$ 1,784
Provision for the year	**1,537**	1,319
Expenditures for the year	**(255)**	(369)
Balance, end of year	**$ 4,016**	$ 2,734

Provisions for mine closure costs are preliminary estimates for future closure, reclamation and site restoration costs, and are updated on a regular basis as new information becomes available.

The Company has lodged letters of credit in the amount of $4,000,000 with respect to Myra Falls Operations and $1,000,000 with respect to the Premier Gold Operations, and has filed closure plans for both mine sites with the required regulatory authorities. When government agencies have reviewed and approved the closure plans, and the closure costs are quantified, additional security will have to be lodged.

8. Shareholders' Equity

thousands	1994	1993
Share capital	**$ 193,688**	$ 220,844
Contributed surplus	**33,263**	5,769
Retained earnings (deficit)	**(176,773)**	(134,678)
	$ 50,178	$ 91,935

The Company has authorized share capital of an unlimited number of shares of Class A Preferred Shares issuable in series, Class B Preferred Shares issuable in series and Common Shares without par value.

Issued and Outstanding	**1994**		1993	
	Number of Shares	**Amount (thousands)**	Number of Shares	Amount (thousands)
Class B Preferred Shares				
Series 1	**2,921,930**	**$ 73,048**	3,080,050	$ 77,001
Series 3	**-**	**-**	2,812,500	26,850
Common Shares	**47,110,120**	**$ 120,640**	43,378,681	$ 116,993
		$ 193,688		$ 220,844

Class A Preferred Shares, Series 1
The Class A Preferred Shares rank senior to the Class B Preferred Shares and the Common Shares. No shares are currently issued.

Class B Preferred Shares
The Class B Preferred Shares rank senior to the Common Shares.

Series 1
The first series of the Class B Preferred Shares have attached thereto certain provisions which include:

The right to receive cumulative dividends of $2.125 per annum per share payable quarterly on the last day of each calendar quarter.

Purchase by the Company, during each calendar quarter, at a price not exceeding the $25 issue price per share plus accrued and unpaid dividends and costs of purchase, one per cent of the number of Preferred Shares outstanding on May 1 1988.

During 1994 the Company purchased 158,120 (1993 - 158,120) Series 1 Class B Preferred Shares at an average cost of $20.82 (1993 - $18.80) per share. The difference between the issue price and the repurchase cost has been recorded as contributed surplus.

Series 2
The Series 2 Class B Preferred Shares have similar rights, privileges, restrictions and conditions attached to the Series 3 Class B Preferred Shares. No shares have been issued or are contemplated to be issued.

Series 3
The Series 3 Class B Preferred Shares have attached thereto certain provisions which include the right to receive dividends at the rate equal to four times the dividends paid on the Common Shares. No shares are currently issued.

In December 1994, the Company repurchased the outstanding Series 3 Class B Preferred Shares held by Brascade for a purchase price of $18,703,000 or $6.65 per share. The purchase price was settled by the issuance of 3,053,571 Common Shares of the Company. Of the $18,703,000, a nominal amount has been added to the Common Share capital account and the remainder, net of expenses associated with the repurchase, has been added to contributed surplus.

Common Shares

	Number of Shares	Amount (thousands)
As at December 31 1992	42,968,595	$ 114,933
Issued under employee stock options	105,942	447
Issued as Common Share dividends	304,144	1,613
As at December 31 1993	43,378,681	$ 116,993
Issued under employee stock options	107,300	387
Issued as Common Share dividends	570,568	3,260
Issued on repurchase of Series 3 Class B Preferred Shares	3,053,571	-
As at December 31 1994	47,110,120	$ 120,640

Under the terms of the Company's employee stock option plan, options on 1,353,700 Common Shares were outstanding as at December 31 1994, exercisable at varying dates to 1999 at prices ranging from $2.95 to $5.875 per Share.

9. Investment and Other Income

thousands	**1994**	1993
Dividends	**$ -**	$ 3,552
Interest	**64**	453
Other	**1,457**	2,094
	$ 1,521	$ 6,099

10. Income, Resource and Capital Taxes

thousands	**1994**	1993
Federal large corporation tax	**$ 320**	$ 315
Provincial capital tax	**466**	459
Mining taxes	**38**	-
Recovery of prior years' taxes	**(8)**	(611)
	$ 816	$ 163

The following table explains the variation between the Company's recovery for income taxes and the statutory income tax rates:

thousands	**1994**	1993
Income tax provision (recovery) based on the combined statutory rate of 45.34% (1993 - 45.09%) applied against loss before taxes	**$ (10,868)**	$ (12,110)
Increase (decrease) in income taxes resulting from:		
Dividend income not taxable	**-**	(1,602)
Benefit of current operating losses not recognized	**$ 10,868**	13,712
Income tax provision (recoveries)	**$ -**	$ -

The Company has approximately $300,000,000 in unclaimed resource and capital cost deductions which are available until fully utilized to reduce future income for income tax purposes. In addition, the Company has non-capital losses available for carry forward to reduce future income for income tax purposes of approximately $30,000,000, expiring as follows:

2000	$16,000,000
2001	14,000,000
	$30,000,000

The Company has resource tax pools for Myra Falls and Premier Gold Operations of approximately $460,000,000 and $117,000,000, respectively, which are available until fully utilized to reduce income for provinicial mining tax purposes.

Approximately $80,000,000 of accumulated timing differences and losses have not been reflected in the financial statements as of December 31 1994, as the potential benefit of these items is not assured.

11. Loss Per Common Share

Loss per share is calculated by dividing net loss less dividends on Preferred Shares by the weighted-average number of Common Shares outstanding of 43,536,239 (1993 - 43,220,446).

12. Dividends

thousands	**1994**	1993
Class B Preferred		
Series 1	**$ 6,360**	$ 6,680
Series 3	**2,250**	2,250
Common		
Cash	**5,439**	7,028
Stock	**3,260**	1,613
	$ 17,309	$ 17,571

13. Related Party Transactions

As at December 31 1994 other long term debt included $79,056,000 (1993 - $32,000,000) owing to an affiliate on which the Company incurred interest expense of $3,570,000 (1993 - $2,912,000).

During 1994 Westmin paid $14,000 (1993 - $130,000) to an affiliate for services provided under a sales agency agreement.

During 1994 Westmin earned gross revenues of $7,299,000 (1993 - $ nil) from the sale of metal concentrates to an affiliate at market prices.

14. Other Information

Commitments - Hedging

At December 31 1994 the Company had the following forward sales commitments outstanding under its hedging program: 18,945 ounces of gold at an average price of $388.49 U.S. per ounce and 6,796 ounces of silver at an average price of $5.15 U.S. per ounce.

In addition, 9,000 tonnes of copper metal related to 1995 production had been hedged. This hedging vehicle fixes a floor price of $1.00 U.S. per pound and enables the Company to participate in any price movement above $1.077 U.S. per pound.

Cash Provided From (Used For) Operations

A reconciliation of loss from operations to cash provided from (used for) operations is as follows:

thousands	**1994**	1993
Net loss for the year	**$ (24,786)**	$ (27,021)
Mineral exploration expenditures	**2,465**	2,316
Charges to earnings that do not reduce (increase) cash		
Depletion and depreciation	**4,666**	9,118
Other liabilities	**1,282**	950
Other	**(335)**	(640)
	$ (16,708)	$ (15,277)

Pension Plans

The Company has two pension plans, participation in which is available to all full-time employees. Staff employees have a defined contribution plan and unionized hourly employees have a defined benefit plan. The hourly employees' benefits under this plan are specified by the collective agreement.

Actuarial reports for the hourly plan are prepared every three years, with August 15 1994 the most recent valuation. Based on projections of interest rates and length of service to the time of retirement, the approximate present value of accrued benefits at December 31 1994 was $6,657,000 (1993 - $5,316,000). The market-related value of the pension fund assets on December 31 1994 was $4,010,000 (1993 - $3,717,000).

Segmented Information

The Company has mining as its single business segment.

TEN YEAR FINANCIAL AND OPERATIONAL SUMMARY

Years Ended December 31

thousands except per share amounts, production and employees	**1994**	1993	1992	1991	1990
	$	$	$	$	$
Statement of Earnings					
Revenue					
Mining	**32,718**	30,863	87,325	97,731	111,094
Oil and gas	**1,139**	1,858	1,664	1,000	1,737
Investment and other income	**382**	4,241	16,735	24,037	26,800
	34,239	36,962	105,724	122,768	139,631
Expenses					
Operating and administrative	**43,685**	44,896	87,096	104,564	95,442
Mineral exploration	**2,465**	2,316	1,764	1,568	4,730
Royalty expenses	**-**	-	-	-	-
Depletion and depreciation	**4,666**	9,118	20,093	25,813	27,695
Interest	**7,393**	7,490	14,087	16,934	19,123
Income, resource and capital taxes	**816**	163	792	175	(5,559)
	59,025	63,983	123,832	149,054	141,431
Earnings (loss) before the following	**(24,786)**	(27,021)	(18,108)	(26,286)	(1,800)
Gain on sale of assets	**-**	-	-	-	-
Equity earnings, extraordinary items	**-**	-	-	-	-
Writedown of assets	**-**	-	-	-	(79,041)
Net earnings (loss) for the year	**(24,786)**	(27,021)	(18,108)	(26,286)	(80,841)
Dividends on Preferred Shares	**8,610**	8,930	11,828	14,713	17,277
Net earnings (loss) attributable to Common Shares	**(33,396)**	(35,951)	(29,936)	(40,999)	(98,118)
Average number of Common Shares outstanding	**43,536**	43,220	42,070	40,319	39,219
Earnings (loss) per Common Share	**(0.77)**	(0.83)	(0.71)	(1.02)	(2.50)
Common shares					
Dividends paid per Common Share	**0.20**	0.20	0.20	0.20	0.20
Trading range ($/share)					
High	**6.50**	6.00	6.12	6.25	8.88
Low	**4.05**	4.20	3.40	1.55	1.55
Balance Sheet					
Working capital (deficit)	**5,289**	5,470	(22,852)	(47,184)	(28,767)
Investments	**6,857**	8,310	109,582	263,086	263,334
Capital assets	**154,613**	155,523	159,858	173,432	195,547
Long-term debt	**119,571**	81,745	114,992	136,850	107,200
Deferred taxes and other liabilities	**4,016**	2,734	1,784	-	22,702
Shareholders' equity					
Preferred Shares	**73,048**	103,851	107,804	193,268	201,525
Common Shares and Retained Earnings (deficit)	**(22,870)**	(11,916)	29,635	59,216	98,687
Funds From Continued and Discontinued Operations	**(27,194)**	(7,121)	(3,199)	(14,092)	2,383
Capital Expenditures					
Mining	**3,756**	4,792	6,576	3,700	9,806
Oil and gas	**-**	-	-	-	-
Total capital expenditures	**3,756**	4,792	6,576	3,700	9,806
Production					
Tonnes of ore milled	**424,912**	595,610	1,564,703	1,714,012	1,906,935
Payable metal (000's)					
Gold (oz.)	*** 64**	30	67	83	55
Silver (oz.)	***287**	261	740	912	798
Copper (lbs.)	**8,616**	14,900	36,983	34,394	42,287
Zinc (lbs.)	**9,314**	17,481	57,385	53,477	63,346
Employees	**505**	542	545	572	760

* Includes metal in concentrates purchased from the Snip Mine.

1989	1988	1987	1986	1985
$	$	$	$	$
103,533	114,342	86,471	86,396	27,588
71,740	71,872	90,578	93,838	134,344
10,130	11,081	13,426	9,329	7,851
185,403	197,295	190,475	189,563	169,783
107,740	100,297	92,850	90,627	53,512
6,795	5,864	993	3,637	3,564
6,755	7,980	8,470	11,698	19,215
42,069	45,379	38,457	42,593	25,522
36,199	27,656	28,754	36,567	8,900
(17,124)	(7,724)	(870)	(4,207)	26,792
182,434	179,452	168,654	180,915	137,505
2,969	17,843	21,821	8,648	32,278
90,586	-	-	-	-
-	-	-	-	(1,826)
(30,000)	-	-	-	-
63,555	17,843	21,821	8,648	30,452
17,592	17,140	17,025	16,774	15,299
45,963	703	4,796	(8,126)	15,153
39,151	39,028	38,762	38,550	38,343
1.17	0.02	0.12	(0.21)	0.40
0.20	0.20	0.20	0.20	0.20
12.00	11.50	14.88	13.00	15.63
8.75	8.50	8.00	6.38	11.25
58,105	103,262	102,683	117,006	87,583
264,183	13,532	12,746	42,497	41,836
304,646	679,906	648,866	649,889	707,700
133,293	277,932	268,070	310,662	339,707
80,225	136,077	100,389	102,039	113,065
209,994	218,699	226,830	226,830	199,982
203,422	163,992	169,006	169,861	184,365
42,083	56,127	31,540	81,946	79,642
35,708	41,663	22,907	6,315	102,430
10,988	34,813	14,553	30,550	186,538
46,696	76,476	37,460	36,865	288,968
1,229,662	1,254,868	1,089,574	1,066,445	585,550
39	44	37	44	23
691	813	772	966	707
48,989	57,470	49,185	45,492	17,088
72,263	88,067	80,393	96,238	54,165
846	1,019	970	870	857

CORPORATE INFORMATION

Board of Directors

Gilles M. Dionne *
Saint-Bruno-de-Montarville,Quebec
Geologist

John M. Gordon *
Toronto, Ontario
Retired Professional Engineer

Patrick J. Keenan, F.C.A. + ·
Toronto, Ontario
Chairman and Chief Executive Officer
Keewhit Investments Limited

Walter T. Segsworth +
President of the Company
North Vancouver, British Columbia

Edward C. Kress · *
Toronto, Ontario
Executive Vice-President
Brascan Limited

Paul M. Marshall + ·
Toronto, Ontario
Chairman of the Company

Terry L. Lyons
Vancouver, British Columbia
Vice-Chairman of the Company
Managing Partner
B.C. Pacific Capital Corporation

+ Member, Executive Committee
* Member, Audit Committee
· Member, Compensation Committee

Director Emeritus and
Honourary Chairman of the Company
Harold M. Wright, C.C., L.L.D.
Professional Engineer
Vancouver, British Columbia

Company Officers and Senior Personnel

Paul M. Marshall
Chairman of the Board

Terry A. Lyons
Vice-Chairman of the Board

Walter T. Segsworth
President

Bruce K. McKnight
Vice-President, Corporate Affairs
and Secretary

Harlan D. Meade
Vice-President, Exploration
and Environment

Robin L. Curry
Corporate Controller

Ross A. Mitchell
Vice-President, Finance and Treasurer

GLOSSARY OF TERMS

Conversions

1 hectare (ha)	=	10,000 square metres (m^2) or 2,471 acres (a)
1 tonne (t)	=	1.102 short tons (ton)
1 troy ounce (oz)	=	31.10348 grams (g)
1 gram/tonne (g/t)	=	0.02917 ounce/short ton (oz/ton)
1 metre (m)	=	39.37 inches or 3.281 Feet (in or ft)
1 kilometre (km)	=	0.621 miles (mi)
1 kilogram (kg)	=	2.2046 pounds (lb)
1 kilojoule (kj)	=	0.2778 watt hours (wh)
1 watt (W)	=	44.2537 foots - pounds/min or 1 joules/sec
British Thermal Unit (BTU)	=	3.413 kilowatt hours (kwh) or 0.430 joules/gram (j/g)

Abbreviations

pH = Hydrogen ion concentration of a solution, used to define acidity/ alkalinity (7 is neutral, above is alkaline, below is acidic)

Definitions

Geological Reserves are those that are defined by extensive sampling to define grade and tonnage and can be classified as to various confidence categories. The classification excludes consideration of how they will be extracted and infers no economic viability.

Mineable Reserves are those geological reserves that have been defined for mining purposes and includes a provision for mining dilution that generally occurs during extraction. Included is ore of sufficient grade, thickness and tonnage to be mineable under normal circumstances providing reserves are sufficient to justify development costs.

Geological Resource is the resource that may occur in a mine or other geological environment that is not included in geological reserves or mineable reserves, but may be reclassified into these categories by further sampling or changes in other factors such as metal prices or mining costs, etc.

Proven Ore is mineralization wherein the sampling is sufficiently close spaced that the grade, tonnage and continuity are well defined.

Probable Ore is mineralization wherein the sampling is spaced further apart but still adequate to demonstrate continuity, grade and tonnage but at a lower confidence level than for proven ore.

Possible Ore is mineralization wherein the sampling is wide spaced and continuity, grade and tonnage cannot be assured. Further sampling is required to increase confidence and conversion into Probable or Proven reserve categories.

Diluted refers to the grade that occurs for a volume of ore after including the waste rock or mineralization which is added to the ore during mining.

Cut Grade refers to the grade that results after reducing the original assay grade for exceptionally high grade samples to adjust for sampling and/or assaying problems, particularly for gold and silver.

Farmout refers to the arrangement by which a company will allow another company to earn an interest in its property by spending an agreed sum of money over a specified time period.

Revenue Canada Dates

Valuation Day - December 22 1971

This was the final day established by Revenue Canada for tax free capital gains. The closing price of Common Shares of the Company on that date was $2.55/share on a pre-split basis. The shares were split two for one on April 8 1981 so that on a post-split basis the valuation day price was $1.28/share.

Final Day for Utilization of Capital Gains Exemption - February 22 1994

This was the final date allowed by Revenue Canada for the utilization of capital gains exemption under the life-time $100,000 capital gains exemption. The closing prices of the Company shares on that date were as follows:

Common Shares	$5.00/share
Class B, Series 1 Preferred Shares	$21.25/share

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Manager: Denis J. Grégoire

Solicitors
Lang Michener

Auditors
Deloitte & Touche

Registrar and Transfer Agent
The R-M Trust Company

Shares Listed Common (WMI) Preferred (WMI.PR.B)
Toronto Stock Exchange
Vancouver Stock Exchange

SHAREHOLDER INFORMATION
Shareholders with questions relating to dividends, address changes, share certificates and Company operations should contact Bruce K. McKnight, Vice-President, Corporate Affairs and Corporate Secretary

Shareholders, who are Canadian residents, have the choice of receiving their Common Share dividends in cash or may elect to reinvest in new shares equivalent in value to the cash dividends. If you wish to participate in the dividend reinvestment plan, contact the R-M Trust Company, Mall Level, 1177 West Hastings Street, Vancouver, B.C., V6E 2K3

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