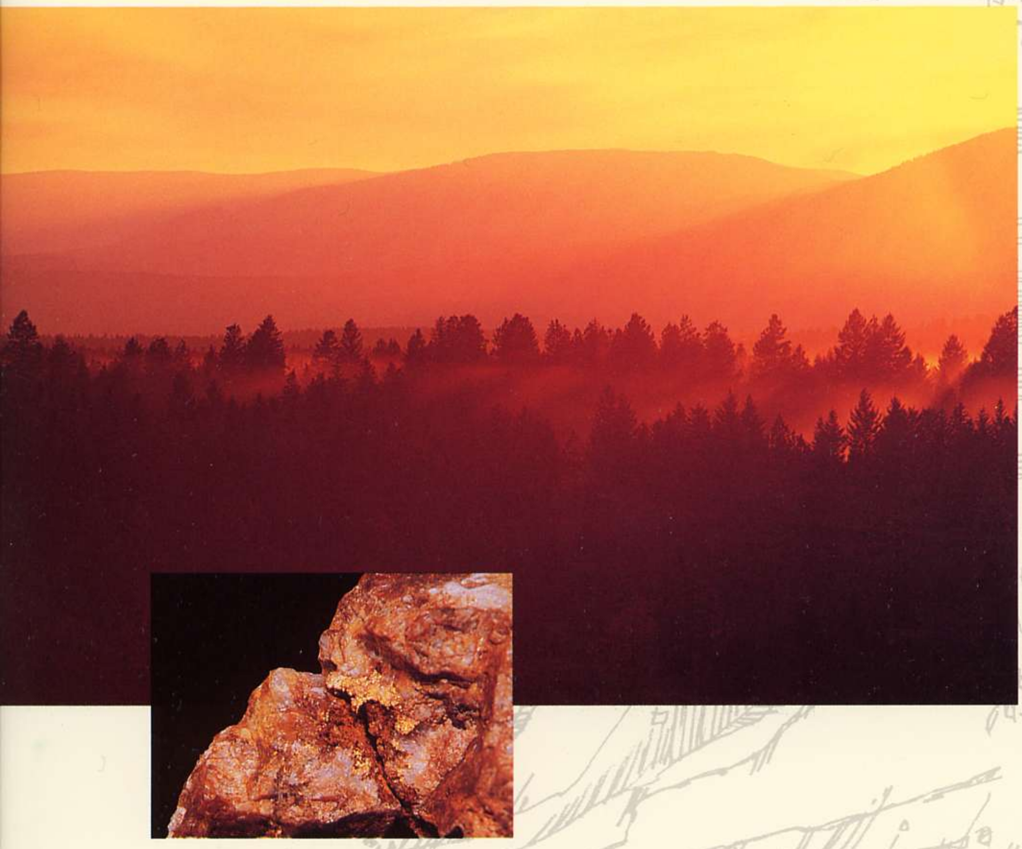
Romulus Resources Ltd.

Annual Report 1994



The Harmony Gold Project is focused on developing bonanza gold systems with maximum benefits to all stakeholders.

Achievements 1994

CORPORATE

- Aquired the right, in November, 1994, to earn up to a 50% interest in the Harmony Gold Project (including the Specogna Deposit) from Misty Mountain Gold Limited, with Romulus as operator.
- Completed a $1.5 million brokered private placement in January, 1994.
- Received $1.5 million for common shares issued pursuant to warrants and options exercised.
- Maintained a strong financial base with working capital of $2.7 million and no debt at December 31, 1994.

HARMONY GOLD PROJECT

- Expanded area of Harmony Gold Project's mineral claim holdings to over 168 square miles.
- Initiated open and ongoing consultation process with local and regional community members.
- Commenced re-interpretation of existing voluminous development data, which at a Feasibility Study level, determined a mineable resource of 34.5 million tons grading 0.064 ounces gold per ton or 2.2 million ounces of contained gold.

Objectives 1995

CORPORATE

- Maintain strong financial status.
- Minimize dilution to shareholders' equity.

HARMONY GOLD PROJECT

- Continue open and on-going consultation process with local and regional community members.
- Initiate baseline environmental, wildlife, fisheries, climate, hydrology and vegetation monitoring and studies.
- Complete a high resolution, multiparameter airborne geophysical survey over most of the property area.
- Carry out extensive surface sampling and mapping programs.
- Complete a detailed review and re-interpretation of existing voluminous development data derived from the over $40 million expended by past operators.
- Commence major exploration drilling program.

Corporate Profile

Romulus Resources Ltd. has obtained the right, from Misty Moutain Gold Limited, to earn up to a 50% interest in the vast 168 square mile mineral claim package covering the most important epithermal-bonanza gold field in western Canada, the Harmony Gold Project (including the Specogna Deposit). The Project is located on Graham Island, Queen Charlotte Islands-Haida Gwaii, British Columbia. Romulus, as operator, will utilize radically different development concepts than those of former developers, who had proposed a large scale open pit mine.

Following the initiation of an open and ongoing consultation process with local people, a staged multi-million dollar program is rapidly progressing to delineate bonanza gold systems. The 1995 exploration program includes the re-interpretation of existing voluminous development data, lithogeochemical sampling programs, an extensive airborne geophysical survey, and a major exploration drilling program. The program objective is to delineate higher grade gold reserves and to collect material for definitive metallurgical testing of higher grade gold zones. Successful program results could lead to engineering, mine planning and permit application for a substantial gold mine, utilizing low impact mining methods.

The Specogna Deposit, containing 2.6 million ounces of gold, is near the centre of Graham Island, approximately 11 miles south of the town of Port Clements, and about 560 miles northwest of Vancouver. It is readily accessible by commercial air travel and shipping.

Romulus is confident that in the months ahead, it will produce a development program for the Harmony Gold Project that will be safe, environmentally responsible and will maximize benefits to regional communities. This will be accomplished through an open, co-operative consultation process with local community members merged with successful exploration results. Low impact, conventional mining methods that focus on epithermal-bonanza gold production, combined with Romulus' modern progressive mining attitude, will ensure proper environmental stewardship while providing benefits to all British Columbians.

HARMONY GOLD PROJECT AGREEMENT

On November 21, 1994 Romulus Resources Ltd. acquired an option from Misty Mountain Gold Limited ("Misty") to earn up to a 50% interest in a group of mineral claims (Harmony Gold Project-including the Specogna Deposit) located on the Queen Charlotte Islands-Haida Gwaii, British Columbia. The Company paid Misty $45,000 during the year to acquire the option and must incur certain minimum annual exploration and development expenditures aggregating $7.5 million prior to December 31, 1998, on the property to maintain its right to earn an initial 25% interest. Romulus may then incur expenditures of $1 million per year to maintain its right to earn a larger participating interest. For each additional $1 million expended the Company earns an extra 5% interest up to 40%. Thereafter, for each additional $2.25 million expended the Company earns an extra 5% up to 50% upon incurring total cumulative expenditures of $15 million by June 30, 2006. Certain mineral claims, which form part of the overall group of claims, are subject to a third party Net Smelter Returns Royalty that graduates from 0.5% to 5.0% over a gold price range from US$300 to over US$800 per ounce. Romulus Resources Ltd. is the operator during the earn-in period and thereafter the Company and Misty will further advance the Harmony Gold Project on a 50:50 joint venture basis with Romulus as operator. The Company will be preferentially reimbursed for up to $9 million of its earn-in expenditures from mine production cash flow, or in certain other events. Before and after December 31, 1994, the Company staked additional mineral claims and on February 21, 1995, acquired an option to earn a 75% interest in 8 mineral claim units by agreeing to, over four years, pay $25,000 in total cash and incur $150,000 in cumulative exploration expenditures. As of March 28, 1995, Romulus has expanded the Harmony Gold Project's mineral claim land base to 168 square miles.

LOCATION AND INFRASTRUCTURE

The Harmony Gold Project (including the Specogna Deposit) is the most important known epithermal-bonanza gold field in Western Canada, and is located on Graham Island, the northern main island of the Queen Charlotte Islands-Haida Gwaii, B.C. The Islands are 55 miles west of the B.C. mainland, 99 miles southwest of Prince Rupert, and about 560 miles northwest of Vancouver. The Specogna Deposit is near the centre of Graham Island, approximately 11 miles south of the town of Port Clements.

Graham Island is readily accessed by rollon-rolloff ferries, and commercial barges and shipping from both Vancouver and Prince Rupert, and there are daily commercial flights from Vancouver. The Specogna Deposit is easily reached by existing logging roads from the town centres of Port Clements, Masset and Queen Charlotte City.

The climate is moderate, typical of B.C. maritime areas. The average temperature of the coldest month is 35° F while the average for the warmest month is 58° F. Average annual precipitation is 53 inches.

The total population of the Islands is just over 6,000, of which approximately one third are Haida Nation people. There are two main Haida Bands – the Masset (located in Old Masset) and the Skidegate Bands. The community of Old and New Masset, at the northern end of Graham Island, is the largest town (1,500 people) and Queen Charlotte City (1,000) is the administrative centre. Port Clements (600) is predominantly a logging town and the commercial airport is located in Sandspit (600). Another paved airstrip is also located in Masset.

A multi-million dollar program underway is rapidly progressing to define bonanza gold systems within the 168 square mile Harmony Gold Project.

Logging is the main industry on the Islands and the largest operators are MacMillan Bloedel (Graham Island) and Fletcher Challenge (Moresby Island). Fishing is important to the Haida, and to commercial and recreational concerns, while services, government, and tourism account for the other main activities. There is a Canadian Armed Forces Station at New Masset that currently employs 383 people. However, the February, 1994 Canadian Federal Budget mandated a downsize to only 45 people by June, 1997.

Geological Resource Estimates

Cut-Off	*Resource*	*Grade*		*Contained Gold*
grams/mt	*million tonnes*	*grams/mt*	*oz/ton*	*million ounces*
1.0	32	2.5	0.07	2.6
2.0	11	4.4	0.13	1.6
3.0	5	6.8	0.20	1.1

HISTORY AND EXPLORATION

Since the discovery of the Specogna deposit in 1970, over $40 million has been spent by former operators on trenching, drilling, underground development, bulk sampling, pilot mill testing, environmental programs and feasibility studies. This work determined an open pit mineable reserve of 34.5 million tons with a grade averaging 0.064 ounces gold per ton, at a waste to ore stripping ratio of 1.7:1. The overall geological resource delineated contained over 2.6 million ounces of gold.

Previous exploration and development work focused almost entirely on delineating a low grade gold resource amenable to large scale open pit mining methods and did not fully consider the potential to develop higher grade gold zones. However, a review of past drill results indicates an excellent potential to develop higher grade gold reserves. Furthermore, recent structural and geological analysis of the property has identified previously unrecognized areas with high exploration potential. The Specogna gold deposit is located in a near surface hydrothermal hot spring system that developed along a major fault structure. Gold grades in this type of system frequently increase with depth and often culminate in very high grade bonanza ore bodies.

The Specogna epithermal-bonanza gold deposit and related high level intrusions occur at the intersection of the Gold Creek Volcanic Complex and a dilational jog in the Specogna-Sandspit Fault system. The Specogna Deposit geology is characterized by the repeated activation of this prospective structural environment. The intrusions of magma and hydrothermal fluids into fault structures caused the formation of a pervasive gold system. Continued activation of the structures has formed gold-bearing stockwork fractures and veins within the silicified rocks. A later fracture set was filled by higher grade gold-quartz veins. The higher grade gold veins, that are exposed in the existing 2,000 feet of underground workings in the Specogna Deposit, are postulated to coalesce at depth.

To take advantage of the significant, large scale geological features in the region, claims have been staked to cover approximately 16 miles of strike length of the key Sandspit Fault, 9 miles of the Specogna Fault as well as other parallel and subsidiary fault structures.

Harmony Gold Project claims also cover 6 miles of strike length of a large

Successful exploration results combined with an open and co-operative consultation process would lead to safe, environmentally responsible, bonanza gold production.

dilation zone within the parallel Rennell Sound Fault system to the west. The claims also encompass 87% (10 square miles) of the Gold Creek Volcanic Complex and 40% (14 square miles) of the extensive Juskatla Volcanic Complex.

An initial extensive soil and lithogeochemical sampling program, geological mapping, and detailed review of the existing, voluminous data (derived from the over $40 million expended by past operators on the Specogna Deposit area) are in progress. This work has identified numerous prospective environments for hosting additional gold deposits outside the existing Specogna Deposit area. In addition, a $400,000, high resolution, multiparameter airborne geophysical survey totalling 2,700 miles of flight lines over the entire property area began on March 28, 1995. The associated fieldwork was completed on April 16, 1995. Airborne survey results are currently being compiled and will identify and trace favourable structures and alteration zones. Concurrently, Romulus will integrate into its data base other pertinent data including updated Geological Survey of Canada mapping of the Gold Creek and Juskatla Volcanic complexes, which indicate many previously unrecognized potential ore hosting features within the Project area. All of these efforts will be followed by exploration programs and extensive drilling to test prospective high grade gold targets at the Specogna Deposit and in the region.

At the Specogna Deposit, silica sinter indicates a near surface ore-forming environment, under which the potential exists for the discovery of bonanza gold veins. Bonanza potential is demonstrated by previous drill hole intersections of veins at moderate depths grading up to 4.55 ounces gold per ton over 6.6 feet. Some examples are:

Drill Hole	*Length (feet)*	*Gold Grade (oz/ton)*
78-06	72.0	0.69
including	39.4	1.00
including	13.1	1.91
79-02	65.6	0.40
including	26.2	0.84
79-11	19.7	1.06
79-50	52.5	0.20
including	6.6	4.55
79-57	19.7	0.52
80-81	6.6	4.03
81-138	72.2	0.30
including	26.2	0.67
including	6.6	2.40
86-17	19.7	1.09

Previous developers of the Specogna Deposit did not consider the potential to develop higher grade gold zones by low impact mining methods. Instead, they focused on developing a large scale, low grade, open pit mine. For this reason, many of the historic, typically 400-600 foot long, vertical drill holes were oriented parallel to high grade gold veins. Drill hole patterns such as this commonly underestimate the grade of a deposit by not testing a representative sample of mineralized structures.

In contrast to the focus of the previous developers, Romulus' 1995 drill program will include drill holes oriented to optimize the accurate sampling of higher grade gold vein zones, delineate these higher grade zones and test for bonanza veins at depth.

Consensus is that environmentally sound development of the most important bonanza gold field in western Canada is achievable with maximum benefits to regional communities.

METALLURGY

Previous metallurgical test work has indicated that the amount of gold not recovered by processing is constant irrespective of the grade of the ore. This suggests that percentage gold recoveries should increase with the processing of higher grade material. In addition, previous test work was carried out on composite samples which represented the low grade ore expected from the previously planned large open pit. This test work may not have properly evaluated the fact that there are at least two main ore types; low grade disseminated ore which has lower recovery values and higher grade vein type ore which has higher recovery values using conventional proven metallurgical processes. Recoveries of gold from low grade ore were below 80%; however, laboratory scale test work on higher grade samples produced gold recoveries in excess of 90%.

ENVIRONMENTAL AND SOCIOECONOMIC

Unfortunately, in the past, industrial interests have not always worked in co-operation and consultation with local community members. The principal environmental concern was the potential for acid rock drainage. This was compounded by the previously proposed large scale, open pit mine plan which had the potential to produce acid generating waste rock. The location of waste rock sites proposed in that plan were in relatively close proximity to the Yakoun River, an important salmon resource. Hence, that mine plan was a concern of First Nation and other community people. Nevertheless, local citizens have not prevented any developmental work. The area has been extensively logged and permitting efforts by former mine development proponents were advanced. Romulus has initiated base line environmental, wildlife, fisheries, climate, hydrology and vegetation monitoring studies. These studies have been initiated before commencement of significant exploration fieldwork in order to establish both Romulus' intention and desire for the utmost integrity of the data base and in order to establish a firm foundation for future permitting.

Romulus is confident that in the months ahead, it will produce a development program for the Harmony Gold Project that will be safe, environmentally responsible and which will maximize benefits to regional communities. This will be accomplished through an open, co-operative consultation process with local community members merged with successful exploration results. Low impact, proven, conventional mining methods, applicable to epithermal-bonanza gold production, combined with Romulus' modern progressive mining attitude, will ensure proper environmental stewardship and will provide benefits to many British Columbians.

FINANCIAL

During 1994, Romulus Resources Ltd. maintained a strong financial base. At fiscal year end working capital was $2.7 million and the Company is debt free.

During the year, Romulus incurred mineral property costs amounting to $0.5 million of which $0.2 million, relate to the Harmony Gold Project and $0.3 million to the Brenda Property. On June 30, 1994, the Company wrote-off all deferred Brenda Mineral Property costs totalling $0.5 million, ($0.2 million relates to 1993 expenditures and $0.3 million to 1994) and terminated its option agreement because the exploration results did not justify continued expenditures.

The loss (before the Brenda Property write-off) for the year amounting to $0.4 million (1993 $0.1 million) illustrates the increased business activity expenses of $0.5 million (1993 $0.1 million) which were offset by interest revenue of $0.1 million earned on cash and cash equivalents.

During the year, the Company issued 2,946,342 common shares for net proceeds of $3.2 million pursuant to private placements, Brenda mineral property acquisition (written-off in the year) and options and warrants exercised during the year. At year end, 9,900,368 common shares of the Company are issued and outstanding with outstanding stock options to purchase 555,000 common shares at a price of $1.75 per share expiring on April 22, 1996; 108,500 common shares at a price of $0.20 per share expiring on August 26, 1996; and 100,000 common shares at a price of $1.35 per share expiring on September 11, 1997. At December 31, 1994, warrants expiring on April 7, 1995, are outstanding to purchase 1,000,000 and 33,750 common shares at prices of $1.50 and $1.55 per share.

Subsequent to year-end up to April 16, 1995, stock options were exercised to purchase 10,000 common shares at a price of $1.75 per share and warrants were exercised to purchase 23,350 common shares at a price of $1.55 per share and 235,250 common shares at a price of $1.50 for total net proceeds of $0.4 million.

Common shares of Romulus Resources Ltd. trade in Canada on the Vancouver Stock Exchange (RRU) and shareholders reside in Canada, United States and Europe.

ACKNOWLEDGMENTS

The Company's success in 1994 was the result of a focused team effort to obtain the potentially world class, Harmony Gold Project. The spirit and tenacity of this team combined with the remarkable potential of the Project is a recipe for rapid growth' in shareholder value in the months ahead.

Our sincere gratitude is extended to all our loyal shareholders. Without your support, Romulus' initial success would have been unattainable. We look forward to all shareholders participating in the rewards created from the very substantial potential wealth in gold being developed by Romulus Resources Ltd.

On Behalf of the Board

Robert G. Hunter
Chairman, Chief Executive Officer

Robert A. Dickinson
President, Chief Financial Officer

Auditors' Report

To the Shareholders of Romulus Resources Ltd.

We have audited the balance sheet of Romulus Resources Ltd. as at December 31, 1994 and the statements of loss and deficit and changes in financial position for the year 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 audit.

We conducted our audit 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 the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles. As required by the Company Act of British Columbia, we report that, in our opinion, these principles have been applied on a consistent basis.

The financial statements as at December 31, 1993 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated March 15, 1994.

De Visser & Company
Chartered Accountants

Vancouver, B.C.
March 17, 1995

Balance Sheets

DECEMBER 31 *(Expressed in Canadian Dollars)*	*1994*	*1993*
ASSETS		
Current		
Cash and cash equivalents	$2,728,164	$ 371,182
Accounts receivable	20,232	23,344
Total current assets	2,748,396	394,526
Reclamation Deposit	4,500	4,500
Mineral Property Costs (see schedules and note 3)	203,506	317,871
	$2,956,402	$ 716,897
LIABILITIES		
Current		
Accounts payable (note 4)	$ 40,660	$ 44,722
SHAREHOLDERS' EQUITY		
Share Capital (note 5)	6,695,621	3,502,176
Issued – 9,900,368 (1993 – 6,954,026) common shares		
Deficit	(3,779,879)	(2,830,001)
	2,915,742	672,175
	$2,956,402	$ 716,897

See accompanying notes to the financial statements

Approved by the Directors:

Robert G. Hunter

Robert A. Dickinson

Statements of Loss and Deficit

FOR THE YEARS ENDED DECEMBER 31 *(Expressed in Canadian Dollars)*	*1994*	*1993*
Revenue		
Interest	$ 82,071	$ 8,753
Expenses		
Bank charges	444	623
Conference and travel	36,450	–
Consulting	9,734	24,108
Corporation capital tax	8,150	–
Legal, accounting and audit	72,778	26,494
Office and administration	32,911	18,039
Property investigations	157,239	–
Rent	51,807	22,337
Salaries and benefits	90,288	19,804
Shareholder communication	24,596	5,574
Telephone	10,752	6,531
Trust and filing	10,139	7,276
	505,288	130,786
Loss Before Other Item	(423,217)	(122,033)
Write-off of mineral property costs (note 3)	(526,661)	(1,083,293)
Net Loss for the Year	(949,878)	(1,205,326)
Deficit – Beginning of Year	(2,830,001)	(1,624,675)
Deficit – End of Year	$(3,779,879)	$(2,830,001)
Loss Per Share (note 6)	$ (0.11)	$ (0.19)
Supplemental Disclosure		
Weighted-average number of common shares outstanding	8,951,353	6,241,623

See accompanying notes to the financial statements

Statements of Changes in Financial Position

FOR THE YEARS ENDED DECEMBER 31 *(Expressed in Canadian Dollars)*	*1994*	*1993*
Cash Provided By (Used For):		
Operating Activities		
Net loss for the year	$ (949,878)	$(1,205,326)
Adjustments to reconcile net loss to cash applied to operating activities:		
Write-off of mineral property costs	526,661	1,083,293
Accounts receivable	3,112	(11,462)
Accounts payable	(4,062)	(5,086)
Net cash (used for) operating activities	(424,167)	(138,581)
Investing Activities		
Reclamation deposits	–	(500)
Mineral property acquisition costs:		
Issuance of common shares	(191,070)	(50,000)
Cash payments	(138,298)	–
Exploration and development costs	(82,928)	(718,554)
Net cash (used for) investing activities	(412,296)	(769,054)
Financing Activities		
Issuance of common shares for:		
Cash	3,026,750	1,103,307
Mineral property acquisition costs	191,070	50,000
Share issue costs	50,625	–
Share issue costs	(75,000)	–
Net cash provided by financing activities	3,193,445	1,153,307
Net Cash Provided During the Year	2,356,982	245,672
Cash – Beginning of Year	371,182	125,510
Cash – End of Year	$2,728,164	$ 371,182

See accompanying notes to the financial statements

Schedules of Mineral Property Costs

FOR THE YEARS ENDED DECEMBER 31 *(Expressed in Canadian Dollars)*	*1994*	*1993*
Acquisition Costs		
Balance – Beginning of year	$ –	$122,205
Incurred during the year	329,368	50,000
Write-off of mineral property costs	(191,070)	(172,205)
Balance – End of year	138,298	–
Exploration and Development Costs		
Assays and analysis	177	30,709
Camp services	–	24,631
Consulting	–	109,454
Drafting	14,253	8,545
Drilling	–	357,642
Equipment rental	8,080	10,047
Freight and transport	12,109	15,983
Geological and geophysical	–	38,632
Project engineering	8,150	–
Property fees and assessments	12,207	46,140
Salaries and benefits	26,306	68,673
Travel and accommodation	1,646	8,098
Incurred during the year	82,928	718,554
Balance – Beginning of year	317,871	510,405
Write-off of mineral property costs	(335,591)	(911,088)
Balance – End of year	65,208	317,871
Mineral Property Costs	$203,506	$317,871

See accompanying notes to the financial statements

DECEMBER 31, 1994
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

The Company is incorporated in British Columbia and its principal activity is the exploration and development of the Harmony Gold Project mineral claims located on the Queen Charlotte Islands-Haida Gwaii, British Columbia. The underlying value of the mineral property and the related deferred mineral property costs is entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development of the mineral property, and upon future profitable production or proceeds from the disposition of the property.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mineral Property Costs

The mineral property acquisition and related exploration and development costs are deferred until the property is placed into production, sold or abandoned. These costs will be amortized over the estimated useful life of the property following the commencement of production or written off if the property is sold, allowed to lapse, or abandoned.

Costs include the cash consideration and the fair market value of common shares issued for the acquisition of the mineral property. A property acquired under an option agreement or by joint venture, whereby payments are made at the sole discretion of the Company, is recorded in the accounts at the time of payment.

Share Capital

Common shares issued for non-monetary consideration are recorded at the fair market value based upon the trading price of the shares on the Vancouver Stock Exchange on the date of the agreement to issue the shares.

The proceeds from common shares issued pursuant to flow-through share financing agreements are credited to share capital and the tax benefits of these exploration expenditures are transferred to the purchaser of the shares.

Costs incurred to issue common shares are deducted from share capital.

3. MINERAL PROPERTY

Harmony Gold Project
Skeena Mining Division
Queen Charlotte Islands-Haida Gwaii
British Columbia

The Company has acquired an option from Misty Mountain Gold Limited. ("Misty") to earn up to a 50% interest in a group of mineral claims located on the Queen Charlotte Islands-Haida Gwaii, British Columbia. The Company paid Misty $45,000 during the year to acquire the option, and must incur certain minimum annual exploration and development expenditures on the property aggregating to $7.5 million prior to December 31, 1998, to maintain its right to earn an initial 25% interest. The Company may then incur expenditures of $1 million per year to maintain its right to earn a larger participating interest. For each additional $1 million expended the Company earns an extra 5% interest up to 40%. Thereafter, for each additional $2.25 million expended the Company earns an extra 5% up to 50% upon incurring total cumulative expenditures of $15 million by June 30, 2006. Certain mineral claims, which form part of the overall group of mineral claims, are subject to a third party Net Smelter Returns Royalty graduated from 0.5% to 5.0% covering a gold price range from US$300 to over US$800 per ounce. Romulus Resources Ltd. is the operator during the earn-in period and thereafter the Company and Misty plan to further advance the Harmony Gold Project on a 50:50 joint venture basis with Romulus Resources Ltd. as the operator. The Company will be preferentially reimbursed for up to $9 million of its earn-in expenditures from production cash flow, if a mine is put into production, or in certain other events. The Company acquired additional claims in the region by staking during the fourth quarter of the fiscal year. Subsequent to year end, additional mineral claims were acquired as disclosed in note 9.

Brenda Property
Skeena Mining Division
British Columbia

The Company has written-off its Brenda Property based on insufficient evidence to warrant further exploration.

4. RELATED PARTY TRANSACTIONS

Included within accounts payable is a liability of $26,945, representing actual expense reimbursements at cost, owed to Pacific Sentinel Gold Corp., a company with directors and officers in common with the Company.

5. SHARE CAPITAL

Authorized share capital of the Company consists of 100,000,000 common shares without par value.

Issued and outstanding common shares:

	Price per Share	*Number of Shares*	*$ Amount*
Issued at December 31, 1992		5,800,719	$2,348,869
Private placement	$1.00	800,000	800,000
Finder's fees	1.00	47,307	47,307
Exercise of warrants	1.00	256,000	256,000
Mineral property acquisition	1.00*	50,000	50,000
		1,153,307	1,153,307
Issued at December 31, 1993		6,954,026	3,502,176
Private placement (net of share issue costs)	1.50	1,000,000	1,425,000
Finder's fee	1.50	33,750	50,625
Exercise of warrants	1.15	569,000	654,350
	1.00	800,000	800,000
Exercise of stock options	0.20	362,000	72,400
Mineral property acquisition	1.00*	150,000	150,000
Mineral property finder's fee	1.30	31,592	41,070
		2,946,342	3,193,445
Issued at December 31, 1994		9,900,368	$6,695,621

**Value ascribed based on fair market value*

Stock options are outstanding as at December 31, 1994 to purchase 555,000 common shares at a price of $1.75 per share expiring on April 22, 1996, 108,500 common shares at a price of $0.20 per share expiring on August 26, 1996, and 100,000 common shares at a price of $1.35 per share expiring on September 11, 1997.

Warrants are outstanding as at December 31, 1994, to purchase 1,000,000 and 33,750 common shares at prices of $1.50 and $1.55 per share respectively, expiring on April 7, 1995.

6. LOSS PER SHARE

Loss per share has been calculated using the weighted-average number of common shares outstanding during each year. Fully diluted loss per share has not been disclosed as it is anti-dilutive.

7. INCOME TAXES

The Company has certain resource related deductions, net of amounts renounced under flow-through share financing agreements, and has other losses which are available to be offset against future taxable income. The benefits of these losses and deduetions are not reflected in these financial statements as there is no virtual certainty that the benefits will be realized.

8. COMPARATIVE FIGURES

Certain accounts have been restated to conform to the current year's presentation.

9. SUBSEQUENT EVENTS

Stock options were exercised to purchase 10,000 common shares at a price of $1.75 per share and warrants were exercised to purchase 23,350 common shares at a price of $1.55 per share.

By an agreement dated February 21, 1995, the Company acquired an option from Doromin Resources Ltd. to earn a 75% interest in a group of 8 mineral claims in the Skeena Mining Division, located on the Queen Charlotte Islands-Haida Gwaii, British Columbia. The Company must pay over four years, $25,000 in total cash and incur $150,000 in cumulative exploration expenditures to exercise the option.

OFFICERS

Robert G. Hunter
Chairman, CEO

Robert A. Dickinson
President, CFO

David J. Copeland
Vice President, Project Development

Jeffrey R. Mason
Secretary/Treasurer

Aziz Shariff
Vice President, International Operations

DIRECTORS

David J. Copeland
Scott D. Cousens
Robert A. Dickinson
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Ronald W. Thiessen

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TRANSFER AGENT

Montreal Trust Company
4th Floor, 510 Burrard Street
Vancouver, British Columbia
Canada V6C 3B9

BANK

Canadian Imperial Bank of Commerce
400 Burrard Street
Vancouver, British Columbia
Canada V6C 3A6

LISTED

Vancouver Stock Exchange (RRU)

CAPITALIZATION

Common authorized	100,000,000
Issued (April 17, 1995)	10,168,968
Fully Diluted	10,909,518

ANNUAL MEETING

The Annual General Meeting of the Shareholders of Romulus Resources Ltd. will be held at 2:00 p.m. on June 14, 1995 in the Delta Room at the Delta Place Hotel, 645 Howe Street, Vancouver, B.C.

FOR FURTHER INFORMATION CONTACT:

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Canada V6C 2V6
Telephone:(604)- 684-6365
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