0920/03
Taseko

820994

WESTPINE METALS LTD.

1992 ANNUAL REPORT

Corporate Office

Suite 900, 475 Howe Street
Vancouver, BC
V6C 2B3
Tel: (604) 684-4100 Fax: (604) 684-5854

WESTPINE METALS LTD.

1992 Annual Report to Shareholders

Dear Shareholder:

Our principal acquisition during the past year has been to option a twenty five percent interest in a group of three properties located on Somerset Island, Northwest Territories. These were selected as they each contain a known kimberlite pipe, and one, the Nord, produced a rough diamond weighing 0.142 carats from earlier, preliminary work. We now plan a thorough mapping, drilling and evaluation program of these properties.

This acquisition coupled with our plans to conduct a joint exploration program on Somerset Island puts the company in the active hunt for diamond bearing properties, which is attracting such strong investor interest. The company is also reviewing a number of other joint ventures and acquisitions for similar properties of merit.

During the year the Company did no work on its Taseko copper gold project, located one hundred and forty miles north of Vancouver. To date we have completed some 69 diamond drill holes at a cumulative exploration cost of $1.4 million. Drilling in 1991 tested several new targets of which some were identified by the Dighem airborne VLF-EM survey conducted in 1990. In particular the drill program identified the new East and Granite Creek zones, and reconnaissance work located samples with disseminated chalcopyrite and molybdenite south of our drilling. The zones of interest now cover an area about three miles long by one half mile wide and include an in situ resource of 11,078,000 tons grading 0.61% copper and 0.023 ounces per ton gold.

On the Company's Shadow Mountain project a limited drilling and sampling program was carried out by our joint venture partner. This property was returned to the Company in 1993 and merits of the property will have to be reviewed.

On corporate matters, Westpine intends to maintain its responsive investor relations program and 12g3-2(b) registration in the United States. We are pleased to welcome Mr. Costas Takkas to the Board of Directors. The Company completed two private placement financings through its significant two shareholders. Further financing will be carried out to fund the exploration work on Somerset Island and other projects.

We are looking forward to an active exploration year and the continuing support of our shareholders.

DATED at Vancouver, British Columbia, this 19th day of April, 1993

ON BEHALF OF THE BOARD

Victor J. E. Jones
President

KPMG Peat Marwick Thorne

Chartered Accountants

777 Dunsmuir Street
P.O. Box 10426, Pacific Centre
Vancouver, B.C., Canada
V7Y 1K3

Telephone: (604) 691-3000
Fax: (604) 691-3031

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheets of Westpine Metals Ltd. as at December 31, 1992 and 1991 and the statements of operations and deficit, mineral property interests 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, 1992 and 1991 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. As required by the Company Act (British Columbia) we report that, in our opinion, these principles have been applied on a consistent basis.

Peat Marwick Thorne

Chartered Accountants

Vancouver, Canada
March 24, 1993

WESTPINE METALS LTD.

Balance Sheets

December 31, 1992 and 1991

Assets

	1992	1991
Current assets:		
Cash	$ 2,612	$ 36,155
Accounts receivable	2,051	1,476
Prepaid expenses	6,000	7,339
	10,663	44,970
Fixed assets, net of accumulated depreciation of $5,925 (1991 - $3,983)	3,786	3,930
Mineral property interests, per accompanying statement (Note 3)	528,011	566,114
	$ 542,460	$ 615,014

Liabilities and Shareholders' Equity

	1992	1991
Current liabilities:		
Accounts payable and accrued liabilities	$ 4,944	$ 5,449
Payable to related companies	14,705	3,861
	19,649	9,310
Advances on account of share subscriptions (Note 4(e))	37,000	-
Shareholders' equity:		
Share capital (Note 4)	774,092	774,092
Contributed surplus	81,398	81,398
Deficit, per accompanying statement	(369,679)	(249,786)
	485,811	605,704
	$ 542,460	$ 615,014

Property option payments and expenditures (Note 3)
Subsequent events (Notes 3(c), 3(f), 3(g), 4(d), 4(e) and 7)

See accompanying notes to financial statements.

APPROVED BY THE BOARD:

_______________ Director _______________ Director

WESTPINE METALS LTD.

Statements of Operations and Deficit

Years ended December 31, 1992 and 1991

	1992	1991
General administration and exploration costs written off, being loss for the year	$ 119,893	$ 104,455
Deficit, beginning of the year	249,786	142,881
Share issuance costs	-	2,450
Deficit, end of the year	$ 369,679	$ 249,786
Loss per share	$ 0.041	$ 0.036

See accompanying notes to financial statements.

WESTPINE METALS LTD.

Statements of Mineral Property Interests

Years ended December 31, 1992 and 1991

	1992	1991
Exploration, development and property payments:		
Analysis and assaying	$ 272	$ 29,885
Communications and general office	-	53,355
Consulting, salaries and wages	1,966	159,445
Drilling	-	247,542
Field and camp supplies	-	5,095
Legal	362	-
Property payments and acquisition costs	6,369	101,000
Property staking and maintenance	525	7,129
Transportation and field accommodation	261	60,858
	9,755	664,309
Recoveries from participants	-	(616,738)
	9,755	47,571
Administrative expenditures:		
Audit and accounting	3,741	4,015
Depreciation	1,942	1,583
Interest income	(59)	(7,354)
Legal	541	1,921
Office and general	13,200	14,609
Printing and promotion	8,838	33,101
Transfer agent and stock exchange	7,389	5,930
Salaries and employee benefits	33,331	45,600
Travel	3,112	1,345
	72,035	100,750
Net expenditures for the year	81,790	148,321
Mineral property interests, beginning of the year	566,114	522,248
Less: Amounts written off during the year	(119,893)	(104,455)
Mineral property interests, end of the year	$ 528,011	$ 566,114

See accompanying notes to financial statements.

WESTPINE METALS LTD.

Statements of Changes in Financial Position

Years ended December 31, 1992 and 1991

	1992	1991
Cash resources provided by (used in):		
Operating activities:		
Loss for the period	$(119,893)	$(104,455)
Item not involving cash		
General administration and exploration costs written off	119,893	104,455
	-	-
Financing activities:		
Issuance of shares	-	115,000
Share issuance costs	-	(2,450)
Advances on account of share subscriptions	37,000	-
	37,000	112,550
Investing activities:		
Purchase of fixed assets	(1,798)	(1,913)
Mineral property interests	(81,790)	(148,321)
Items not involving cash		
Depreciation	1,942	1,583
Cash generated from (used for) working capital changes:		
Accounts receivable	(575)	743
Prepaid expenses	1,339	(4,789)
Accounts payable and accrued liabilities	(505)	1,136
Payable to related companies	10,844	924
	(70,543)	(150,637)
Decrease in cash	(33,543)	(38,087)
Cash, beginning of year	36,155	74,242
Cash, end of year	$ 2,612	$ 36,155

See accompanying notes to financial statements.

WESTPINE METALS LTD.

Notes to Financial Statements

Years ended December 31, 1992 and 1991

1. Nature of operations:

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

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral property interests is dependent upon the discovery of economically recoverable ore reserves, the ability of the Company to obtain necessary financing to complete development and upon future profitable production.

2. Significant accounting policies:

(a) Fixed assets:

Fixed assets are recorded at cost. Depreciation is provided using the straight-line method at a rate sufficient to amortize the cost over the estimated useful life of the asset.

(b) Mineral property interests:

The Company defers the cost of mineral properties, exploration and development expenditures, and administrative expenditures, net of recoveries from joint venture participants, directly related to specific mineral projects or mineral interests until such time as the extent of mineralization has been determined and the mineral properties are either developed or the Company's mineral rights are allowed to lapse. At that time the deferred costs are either amortized on a unit-of-production basis or written off, as appropriate.

Amounts shown as mineral property interests represent costs incurred to date and do not necessarily reflect present or future values.

3. Mineral property interests:

(a) Taseko option agreement:

Pursuant to an agreement dated March 28, 1989, the Company acquired an option to earn up to a 100% interest in several mineral claims known as the Taseko property located in the Clinton Mining Division, British Columbia.

3. Mineral property interests, continued:

(a) Taseko option agreement:

The option was acquired from Westley Technologies Ltd. (formerly, Westley Mines Limited) ("Westley"), and Alpine Exploration Corporation ("Alpine"), the Company's significant shareholders, who acquired the option previously from an unrelated third party.

Consideration given was $200,000 cash and 1,200,000 shares (Note 4(c)) of the Company at a price of $0.01 per share, for total consideration of $212,000. Under the terms of the agreement, as amended, the Company was required to make payments and incur minimum expenditures in accordance with the following schedule:

	Property Payments	Minimum Expenditures	Cumulative % Earned
Prior to December 31, 1989	$ 17,500	$ 250,000	-
On or before Mar 1, 1990	17,500	-	25%
Prior to December 31, 1990	25,000	200,000	51%
Prior to December 31, 1991	25,000	250,000	51%
Prior to December 31, 1992	75,000	400,000	100%
	$ 160,000	$ 1,100,000	

In 1991, all of the property payments and the minimum expenditures to December 31, 1992 had been completed. The December 31, 1991 and 1992 property payments were paid in 1991 by the issuance of a total of 200,000 common shares at $0.50 per share (Note 4(b)).

The Company holds a 100% interest in the Taseko property, subject to a 2 1/2 % net smelter return royalty which may be purchased for $1.5 million.

(b) Taseko joint venture agreement:

Pursuant to an agreement effective May 16, 1990 with ASARCO Exploration Company of Canada, Limited ("ASARCO"), ASARCO had an option to earn a 60% interest in the Company's Taseko property. Under this agreement, a management fee of 10% was chargeable by the operator of the project during 1990 and 1991 and 6% in 1992 and subsequent years. During 1990 and

3. Mineral property interests, continued:

(b) Taseko joint venture agreement:

1991, the Company was operator and delegated the project to Alpine (Note 5). Under the terms of the agreement, ASARCO was required to make certain payments to the Company and incur minimum expenditures. To December 31, 1991 ASARCO had paid $89,000 to the Company and had incurred expenditures of $1,013,795.

On January 2, 1992, ASARCO elected to terminate its option. The Company is currently pursuing other options for further development of the property.

(c) Bluff option agreement:

Pursuant to an agreement with Westmin Resources Limited ("Westmin") and Homestake Canada Ltd. ("Homestake") effective August 13, 1991, the Company and ASARCO together had an option to earn a 50% interest in the Bluff claims which are adjacent to the Taseko property. Under the agreement, the Company and ASARCO were required to incur minimum expenditures in accordance with the following schedule:

	Minimum Expenditures
Prior to December 31, 1991	$ 50,000
Prior to December 31, 1992	50,000
Prior to December 31, 1993	100,000
Prior to December 31, 1994	100,000
Prior to December 31, 1995	100,000
	$ 400,000

The minimum expenditures for 1991 have been completed. In 1992, in connection with its election to terminate its Taseko joint venture agreement (Note 3(b)), ASARCO agreed to assign its rights under this agreement to the Company.

During the year ended December 31, 1992, the Company did not incur its minimum expenditure requirements and subsequent to year-end Westmin and Homestake terminated this agreement. Accordingly, the Company wrote-off its unamortized costs relating to these claims.

3. Mineral property interests, continued:

(d) Limonite lease agreement:

Pursuant to an agreement effective September 1, 1991 with International Northair Mines Limited, the Company has a lease on the Limonite claims which are adjacent to the Taseko property. Under the lease agreement, the Company is required to make certain payments and incur minimum expenditures in accordance with the following schedule:

	Property Payments	Minimum Expenditures
Upon signing	$ 500	$ -
by December 31, 1991	500	-
by September 1, 1993	2,000	-
by August 31, 1994	-	20,000
by August 31, 1995	-	30,000
by August 31, 1996	-	50,000
	$ 3,000	$ 100,000

All property payments to December 31, 1992 have been made.

(e) Shadow Mountain lease agreement:

On May 27, 1992, the Company entered into a lease agreement to earn a 100% interest in several mineral claims known as the Shadow Mountain project located in San Bernardino County, California, subject to a net smelter return royalty to the owner. The lease was acquired from Westley, who previously entered into the lease with an unrelated third party.

The consideration to be given, under the amended agreement dated August 27, 1992, is 100,000 shares of the Company upon regulatory acceptance and 100,000 shares upon putting the project into commercial production. Under the terms of the lease agreement, the Company is required to make quarterly payments to the owner and incur minimum expenditures in accordance with the following schedule:

3. Mineral property interests, continued:

(e) Shadow Mountain lease agreement:

	Total Property Payments ($US)	Minimum Expenditures ($US)
By October 1, 1992	$ 15,000	$ -
By December 31, 1992	-	13,000
By December 31, 1993	20,000	50,000
By December 31, 1994	25,000	100,000
By December 31, 1995	28,000	150,000
By December 31, 1996	32,000	200,000
By December 31, 1997	36,000	-
By December 31, 1998 and each year thereafter until commercial production	40,000	-

All property payments and the minimum expenditures to December 31, 1992 have been made.

(f) Shadow Mountain option agreement:

Pursuant to an agreement dated August 6, 1992 and amended September 18, 1992 an unrelated third party (the "Optionee") was granted an option to earn a 70% interest in the Company's Shadow Mountain project. Under the terms of the agreement, the Optionee was required to make the lease payments to the owner of the property and incur the minimum expenditures. The Optionee has completed its obligations to December 31, 1992.

Subsequent to year-end, the Optionee elected to terminate its option, and the Company is pursuing other options for further development of the property.

(g) Somerset Island option agreement:

Pursuant to three agreements dated December 11, 1992, all of which are subject to regulatory approval, the Company can earn a 25% interest in each of the 3 claim groups known as the Elwin, Nord and Ham claims on Somerset Island in the Northwest Territories. Each claim group has one claim which is subject to back-in provisions by a third party before feasibility. If this third party does not participate, it will retain a 2% net smelter return royalty. All of the other claims within each group are subject to a 2% net smelter return royalty.

3. Mineral property interests, continued:

(g) Somerset Island option agreement, continued:

Under each agreement, the Company is required to pay $10,000 and issue 50,000 shares on approval by the regulatory authorities and must fund a total of $200,000 of expenditures over the next three years. One of the owners will be the operator of the work programs.

Each agreement is subject to a finder's fee of 10,000 shares of the Company to be distributed to two parties, subject to regulatory approval.

To December 31, 1992, no payments were made and no shares were issued as the agreements had not been approved by the regulatory authorities. Subsequent to year-end, regulatory approval was received and the Company issued the 180,000 common shares and paid the $30,000 in accordance with the agreements.

4. Share capital:

(a) Authorized:

20,000,000 common shares of no par value.

(b) Shares issued:

During the years ended December 31, 1991 and 1992, share capital transactions were as follows:

	Number	Amount
Balance, December 31, 1990	2,710,400	$ 659,092
Exercise of Stock Options	30,000	15,000
Shares issued for mineral property interest (Note 3(a))	200,000	100,000
Balance, December 31, 1991 and 1992	2,940,400	$ 774,092

(c) Escrow shares:

The issued share capital of the Company includes 1,200,000 shares held in escrow relating to the acquisition of the Taseko property (Note 3(a)). The first 500,000 shares will be released upon completion of exploration expenditures totalling $3,500,000 and the remaining 700,000 shares will be released upon a decision to place the property into commercial production.

4. Share capital, continued:

(d) Director's and employees' stock options:

As at December 31, 1992, 209,000 shares and 60,000 shares were reserved as incentive stock options for directors and employees, respectively. The options are exercisable at a price of $0.50 per share and expire as follows:

Expiry Date	Directors	Employees	Total
Sept. 16, 1993	-	30,000	30,000
July 16, 1994	209,000	10,000	219,000
Nov. 12, 1995	-	20,000	20,000
	209,000	60,000	269,000

Subsequent to year-end, the Company cancelled the 30,000 options granted to employees that expire September 16, 1993, reduced the 209,000 shares on option to directors to 176,700, reduced the 10,000 shares on option to employees that expire July 16, 1994 to 8,400 and reduced the 20,000 shares on option to employees that expire November 12, 1995 to 16,900 and amended the exercise price of all outstanding options to $0.25 per share.

In addition, subsequent to year-end the Company granted a director an option on 150,000 shares exercisable at $0.25 per share for a two year period. The above transactions are subject to regulatory approval.

(e) Advances on account of share subscriptions:

On December 14, 1992, the Company entered into a private placement with Westley and Alpine to issue a total of 400,000 units of the Company at $0.19 per unit, subject to regulatory approval. Each unit consists of one share and one-half of a warrant to purchase an additional share for twelve months at $0.19 per share and a further twelve months at $0.22 per share. Westley and Alpine each advanced a portion of the private placement funds to the Company prior to December 31, 1992.

Subsequent to year-end, regulatory approval and the balance of funds were received and the Company issued the 400,000 units.

5. Related party transactions:

During the year, the Company and certain related companies shared various administration and management costs which benefited the group. In this regard, for the year ended December 31, 1992, the Company was charged $20,361 (1991 - $31,449) by Westley.

The Company has an operating agreement for the Taseko property (Note 3(b)) with Alpine, under terms and conditions similar to those commonly used in the industry. During 1991, $556,244 of costs were incurred or charged to the Company by Alpine for reimbursement of expenses which includes a 10% administration fee pursuant to this operating agreement. No costs were incurred or charged to the Company by Alpine during the year ended December 31, 1992.

During the year ended December 31, 1992, the Company was charged $24,000 for management services (1991 - $24,000) by companies related by virtue of common directors.

6. Income taxes:

At December 31, 1992 the amount of deferred exploration and development costs available for income tax purposes exceeded the amount recorded in the books by approximately $292,000. The potential income tax benefits which may arise from the use of this amount has not been reflected in these financial statements.

7. Subsequent event:

Subsequent to year-end, the Company entered into a private placement to issue 260,000 units to related parties and 200,000 units to a director of the Company at $0.15 per unit. Each unit consists of one share and one warrant to purchase an additional share for twelve months at $0.15 per share and a further twelve months at $0.17 per share. Regulatory approval was received for this transaction and the funds have been received and the units issued.

WESTPINE METALS LTD.

Schedule of Mineral Property Interests

Year ended December 31, 1992

	Balance December 31, 1991	Jan. 1 to Dec.31, 1992 Net Expenditures	Jan. 1 to Dec.31, 1992 Write-Offs	Balance, December 31, 1992
Canada				
Taseko	$ 566,114	$ 1,134	$ 45,994	$ 521,254
Somerset Island	-	638	-	638
United States				
Shadow Mountain	-	6,119	-	6,119
General exploration and administration	-	73,899	73,899	-
	$ 566,114	$ 81,790	$ 119,893	$ 528,011

WESTPINE METALS LTD.

CORPORATE INFORMATION

SHARES LISTED

Vancouver Stock Exchange: WM
Authorized: 20,000,000
Issued: 3,980,400
Options: 352,000
Escrow: 1,200,000
12g3-2(b) Exemption #82-3116
Standard & Poor's Listed

OFFICERS & DIRECTORS

Victor J.E. Jones
President & Director

Mr. Willis W. Osborne
Chief Executive Officer, Secretary & Director

Dr. Thomas A. Richards
Director

Dr. Douglas Neil Hillhouse
Director

Mr. Costas M. Takkas
Director

REGISTRAR & TRANSFER AGENT

Montreal Trust Company
Stock and Bond Transfer Services
Montreal Trust Centre
510 Burrard Street
Vancouver, BC
Canada V6C 3B9

LEGAL COUNSEL & REGISTERED OFFICE

DuMoulin Black
10th Floor
595 Howe Street
Vancouver, BC
Canada V6C 2T5

AUDITORS

Peat Marwick Thorne
777 Dunsmuir Street
PO Box 10426
Pacific Centre
Vancouver, BC
Canada V7Y 1K3

CORPORATE HEAD OFFICE

Suite 900, 475 Howe Street
Vancouver, British Columbia, Canada V6C 2B3
Telephone: (604) 684-4100

PRINTED IN CANADA