

Taseko
0920/03

820999



METALL MINING CORPORATION

3RD FLOOR - 511 WATER STREET
VANCOUVER, B.C. V6B 1B8

April 25, 1994

IBK Capital Corp.
130 Adelaide Street West
Suite 2601
Toronto, Ontario
M5H 3P5

Attention: Erik Williams, Senior Vice President

Dear Mr. Williams:

Re: Westpine Metals Ltd. Equity Financing

Thank you for forwarding for our review the data package concerning Westpine Metals Ltd. Unfortunately participation in the proposed financing is not of interest to Metall Mining Corporation at this time.

Thank you for the opportunity to look at the property.

Yours truly,

per: Frank Balint
Exploration Manager
W. Canada & U.S.A.

cc S. Garber

FB/gh

IBK Capital Corp.

130 Adelaide Street West
Suite 2601
Toronto, Ontario Canada
M5H 3P5

Tel. (416) 360-4505 Fax. (416) 360-8513

PRIVATE AND CONFIDENTIAL

March 16, 1994

Mr. Klaus Zeitler
President
Metall Mining Corporation
Suite 3400, Aetna Tower
79 Wellington Street West
Toronto, Ontario M5K 1A1

→ Frank
Balint
for review + comment

Dear Mr. Zeitler:

WESTPINE METALS LTD. EQUITY FINANCING

Westpine Metals Ltd. ("Westpine" or, the "Company"), is a mineral exploration company based in Vancouver, British Columbia. Westpine trades on the Vancouver Stock Exchange under the symbol "WM". The Company is seeking to raise up to \$750,000 in financing, which may take the form of an offering of common shares of Westpine, or other mutually acceptable arrangement (the "Financing"). The proceeds from the Financing will be used to carry out additional exploration and development work at Westpine's mineral exploration properties, and for general corporate purposes.

The Company's principal assets are: (i) an option to earn a 25% interest in three diamond exploration properties, Elwin Bay, Ham and Nord, located on Somerset Island in the Northwest Territories (the "Somerset Properties"), each of which hosts a kimberlite pipe; (ii) an option to earn a 100% interest in the Shadow Mountain Gold Project, located in San Bernardino County, California; and (iii) a 100% ownership interest in the Taseko Copper-Gold-Molybdenum Property (the "Taseko Property"), located in British Columbia.

Attached is an Executive Summary and other information which describes the Company and its assets in more detail. If you have any questions after reviewing this material or if you would like to participate in the Financing, please contact the undersigned at (416) 360-4506. Thank you.

Sincerely,

IBK CAPITAL CORP.

M. Williams

Per Erik Williams
Senior Vice-President
attachment



METALL MINING CORPORATION

SUITE 3400, AETNA TOWER
79 WELLINGTON STREET WEST
P.O. BOX 19, TORONTO DOMINION CENTRE, TORONTO, ONTARIO M5K 1A1

March 22, 1994

Mr. Frank Balint,
Manager, Western Canada & USA
Metall Mining Corporation
Vancouver Exploration Office
3rd Floor
311 Water Street
Vancouver, British Columbia
V6B 1B8

RECEIVED MARCH 22 1994

Dear Frank:

Re: WestPine Metals Ltd. - Equity Financing

I am enclosing a letter dated March 16, 1994 received from IBK Capital Corp., as well as a folder containing additional information regarding the above-noted company. Please review and provide your comments on the enclosed information.

Best regards,

for Stefan Garber
Stefan Garber,
Vice-President, Corporate Development

SG:cc
Enclosures

WESTPINE METALS LTD.

EXECUTIVE SUMMARY

March 1994

PREAMBLE

The information contained in this Executive Summary is confidential. The Executive Summary has been prepared to assist interested parties in making their own assessment of the Company and its mineral properties and does not purport to contain all of the information that a prospective investor may desire. In all cases, interested parties should conduct their own investigation and analyses of the Company, its assets and the information provided in this Executive Summary. Any and all statements, forecasts, projections and estimates contained in this Executive Summary are based on management's current knowledge and no representation or warranty is made as to their accuracy and/or reliability.

IBK Capital Corp. has not independently verified any of the information contained herein. IBK Capital Corp. makes no representation or warranty as to its accuracy and completeness and shall not be liable to any recipients of this Executive Summary if such information or any part thereof is untrue or misleading or if any information is omitted therefrom which is necessary to make any information contained herein not false or misleading in light of the circumstances in which it is presented.

note: all amounts are in Canadian dollars, unless otherwise indicated

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A. THE COMPANY

Westpine Metals Ltd. ("Westpine" or, the "Company"), is a mineral exploration company based in Vancouver, British Columbia. Westpine trades on the Vancouver Stock Exchange under the symbol "WM". The Company is seeking to raise up to \$750,000 in financing, which may take the form of an offering of common shares of Westpine, or other mutually acceptable arrangement (the "Financing"). The proceeds from the Financing will be used to carry out additional exploration and development work at Westpine's mineral exploration properties, and for general corporate purposes.

The Company's principal assets are: (i) an option to earn a 25% interest in three diamond exploration properties, Elwin Bay, Ham and Nord, located on Somerset Island in the Northwest Territories (the "Somerset Properties"), each of which hosts a kimberlite pipe; (ii) an option to earn a 100% interest in the Shadow Mountain Gold Project, located in San Bernardino County, California; and (iii) a 100% ownership interest in the Taseko Copper-Gold-Molybdenum Property (the "Taseko Property"), located in British Columbia.

B. SOMERSET ISLAND DIAMOND EXPLORATION PROPERTY, NWT

1. *Ownership and Location*

Westpine has an option to earn a 25% interest in three diamond exploration properties, Elwin Bay, Ham and Nord, located on Somerset Island in the Northwest Territories (the "Somerset Properties"). Each of the Somerset Properties hosts a kimberlite pipe. Cyclone Capital Corp. ("Cyclone"), a Vancouver-based mineral exploration company focusing principally on diamond exploration, owns the remaining 75% of the joint venture and is the operator; Alpine Exploration Corporation has an option to acquire a 25% interest in the joint venture from Cyclone.

Claims in which Westpine has an interest can be divided into three categories. The "*Cominco Claims*" cover the three original kimberlites, the Elwin Bay, the Ham and the Nord. These properties were originally staked by Cominco Ltd. and were optioned by Cyclone. The Company has an option to earn a 25% interest in the properties with a 50% back-in right on the claims held by Cominco Ltd. The "*Cyclone Claims*" were staked by Cyclone and cover five newly discovered kimberlites or kimberlite clusters. Westpine holds an option to acquire a 25% interest in these claims, with no back-in rights. Finally, Westpine owns a 10% interest in a claim group staked by a syndicate. These claims cover one newly discovered kimberlite cluster.

2. *Prior Exploration Work*

Cominco Ltd. and Diaprose Canada Ltd., then a wholly owned subsidiary of De Beers, carried out an exploration program on the Somerset Properties in 1974. The program consisted of bringing a field concentrator to Somerset Island and using it to concentrate rock from the kimberlites found in the area, including 12.8 tons of material from Elwin Bay, 1.5 tons of material from Ham and 13.9 tons from Nord. All samples yielded abundant indicator minerals, and one diamond weighing 0.142 carats was recovered from Nord. Approximately \$50,000 was spent on this exploration work.

Westpine sought to have an option on the Somerset Properties because it believed that more thorough analysis of the area using modern technology could result in the discovery of additional kimberlites and a more positive assessment of the Somerset Properties diamond potential.

3. *Results of 1993 Work Program*

During the 1993 exploration program, a total of 28 samples of drill core and 59 samples of rock and soil were taken from three known kimberlites on the Somerset Properties. During the course of the work, seven additional kimberlites or clusters of kimberlites were discovered, including the Nikos kimberlite cluster and the Nord 2 kimberlite.

Cyclone recently announced the results of analyses of seven rock samples from the Nikos kimberlites and seventeen soil samples from Nord 2: all samples from Nikos 2 returned abundant mineral grains of pyrope garnets, eclogitic garnets, ilmenite and chrome diopside. Due to the abundance of indicator minerals only a small portion of each sample concentrate was examined. For example, sample Nikos R-04 returned 400 pyrope garnets from just 2.5 grams out of a total of 144.7 grams of concentrate. Abundant grains of pyrope garnets and ilmenite were also found in all of the Nord 2 samples.

Indicator minerals from samples taken from two of the Nikos kimberlites have been forwarded to Dr. J. Gurney's Scientific Services (Pty.) Ltd. laboratory in South Africa for micro-probing. These results will determine the portion of the kimberlites within the diamond stability field and the potential for hosting economic diamond concentrations.

4. Proposed 1994 Work Program

The Company's share of 1994 exploration expenditures at the Somerset Properties is \$149,000. This amount includes \$30,000 for concentrating and microprobing samples taken during the 1993 program. Approximately \$111,500 would be spent on drilling and bulk sampling to be carried out in 1994. An additional \$7,500 will be required for syndication costs.

C. SHADOW MOUNTAIN GOLD PROPERTY, CALIFORNIA

1. *Ownership and Location*

Westpine entered into an option agreement in late 1993 to earn a 100% interest in the Shadow Mountain Gold Property in San Bernardino County, California, from Mr. Steven Van Ert, a California geologist. The agreement provides for Westpine to earn its interest by spending US \$1.4 million in exploration expenditures on the property over a 7 year period. The vendor will retain a 4.5% net smelter royalty on gold production and a 2.25% net smelter royalty on copper or other base metals production. By agreement, Westpine has maintained 30 key unpatented mining claims, and the staking of additional claims is imminent.

The Shadow Mountain Gold Property is located approximately 40 miles from Viceroy Resources Corporation's Castle Mountain Mine, which went into production in 1992. Annual production at the Castle Mountain Mine is approximately 100,000 ounces of gold per year, and proven, probable and possible reserves are estimated to be approximately 1.8 million ounces of gold. One area of the Shadow Mountain Property appears to have a similar geological setting to that of the Castle Mountain Mine. The scale of the alteration area and anomalous copper and gold values suggest that Shadow Mountain has the potential to host a large economic mineral deposit.

} Viceroy ?
} see tech details on Slide

2. *Exploration Work Completed to Date*

There is evidence of old workings from the 1930's including shafts and tunnels on several areas of the property but no historic production is recorded. The property was the subject of a paper printed in the Mining Journal (Geology and Ores of the Shadow Mountains, 1927 Vol 11, No. 12 by G. Riddell and E. Foster). One of several drill holes completed in the 1930's is reported to have been a hole 534 feet deep which returned 0.1 opt Au between 125 feet and 345 feet and 0.07 opt Au from 350 feet to 496 feet. The Company would like to carry out additional exploration work to confirm these historic drilling results.

= paper
220' of old opt Au

In 1992 Pegasus Gold Corporation, in a joint venture with Westpine, conducted further surface sampling and geological evaluation of the property. Pegasus identified three key target areas to the north of the property but drilled two shallow holes in the vicinity of the old workings for assessment purposes. These holes showed no significant gold values and left the three principal targets untested. These three target areas have been confirmed as the focus of interest of several other major companies which have expressed an interest in a joint venture on the claims.

have we looked this:

3. *1994 Work Program*

With the target areas now clearly defined Westpine intends to conduct a preliminary drilling program on the property this year. Westpine's initial work program on the property will consist of geological mapping and ground electro-magnetic surveying over three key areas, followed by diamond drilling of four holes for a total drill footage of approximately 2,000 feet. The Company is also discussing potential joint venture arrangements with several major companies.

D. TASEKO COPPER-GOLD MOLYBDENUM PROPERTY, B.C.

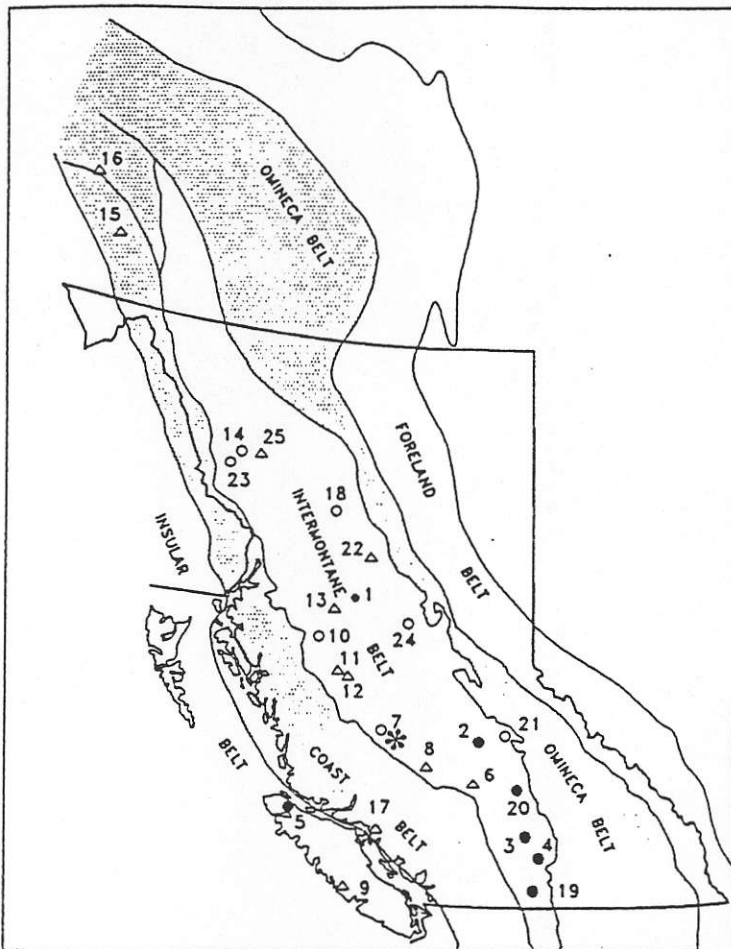
1. Ownership and Location

Westpine has a 100% ownership interest in the Taseko Copper-Gold-Molybdenum Property (the "Taseko Property"), located in British Columbia. The Company's ownership interest is subject to a 2.5% net smelter royalty up to \$1.5 million, less option payments made in the past. The Taseko Property consists of 278 claims covering an area of 25 square miles and is situated approximately 140 miles (225 kilometres) north of Vancouver.

There are several significant porphyry copper deposits in the district, including the Fish Lake Deposit, less than 30 kilometres to the north, which has a resource of 895 million tons of mineralization grading 0.24% Cu and 0.013 opt Au, or approximately 4.7 billion pounds of copper and 11.6 million ounces of gold. The Fish Lake Deposit is owned by Taseko Mines Limited.

Westpine believes that its Taseko Property has the potential to host a deposit similar in magnitude to Taseko Mines Limited's Fish Lake Deposit.

The Taseko Property's location, relative to other major porphyry copper-gold deposits in British Columbia, is shown on the following map:



Distribution of calcalkaline and alkaline-class porphyry copper-molybdenum and copper-gold deposits in the Canadian Cordillera (modified after McMillan and Panteleyev, 1988).

* Taseko Property of:
Westpine Metals Ltd.

| Calcalkaline Class | Alkaline Class |
|---|---|
| 1 Bell, Granisle, Morrison | 19 Copper Mountain-Similkameen |
| 2 Gibraltar | 20 Afton |
| 3 Highland Valley Deposits-Lornex, Bethlehem, Highmont, Valley Copper, JA | 21 Mt. Polley (Cariboo Belt) |
| 4 Brenda | 22 Lorraine |
| 5 Island Copper | 23 Silkine (Galore Creek) |
| 6 Maggie | 24 Mt. Milligan |
| 7 Fish Lake | 25 Red Chris |
| 8 Poison Mountain | |
| 9 Catface | |
| 10 Berg | |
| 11 Huckleberry | |
| 12 Ox Lake | |
| 13 Glacier Gulch | |
| 14 Schaff Creek | |
| 15 Mount Nansen | |
| 16 Casino | |
| 17 OK | |
| 18 Kemess | |
| | Symbols |
| | ● Producing mine or district with producing mines |
| | ○ Major prospect |
| | △ Prospect |

2. *Geology and Resources*

a. *Empress Area*

An extensive exploration program at the Taseko Property was carried out by the Company from 1988 to 1991, with most drilling carried out in the Empress Area, where disseminated chalcopyrite with gold, as well as pyrite and magnetite, occur in intensely altered volcanic rock above and adjacent to a quartz-diorite/granodiorite intrusive. The contact between the altered volcanics and the intrusive dips steeply to the north, and then plateaus and remains roughly horizontal, forming a shelf on which the volcanics rest. The shelf has been traced over 4,200 feet east and 9,000 feet west from the Empress Area, where it measures at least 2,100 feet wide and from 360 to 720 feet deep. Based in this work program, James Askew and Associates, Inc. of Englewood, Colorado, estimates that in-situ reserves at the Taseko Property are 11,078,000 tons grading 0.61% Cu and 0.023 opt Au.

At the Empress Area, mineralization occurs in three definable zones: the Lower North Zone, the 76 Zone, and Upper North Zone. The Company retained Gilles Peatfield to study the mineral reserve of the Lower North Zone. The Gilles Peatfield study delineated 915,000 tons of 1.90% Cu and 0.064 opt Au, using a cut-off of 0.40% copper (not copper-equivalent) in this zone. The 76 Zone has been traced for 850 feet in an east-northeast direction. Drilling indicates that it could be cut off by the intrusive-volcanic contact to the southwest, but it is still open to the northeast. Although its configuration seems to change along the strike length of the zone, it measures up to 340 feet wide and 160 feet in a vertical direction. The Upper North Zone is located about 600 feet north of the 76 Zone. Although its configuration is somewhat irregular, it appears to strike northeast.

b. *Buzzer Zone*

A second major area of mineralization occurs at the Buzzer Zone, which is situated 10,000 feet east of the Empress Zone and just west of the Taseko River, on the northeastern section of the property. On the basis of drilling carried out in the 1970's by a former owner, it is estimated that the Buzzer Zone contains 5.5 million tons of ore grading 0.35% Cu and 0.031% Molybdenum, with gold present.

A series of large copper soil anomalies (greater than 200 ppm copper) extend west from the Buzzer Zone for a length of 8,000 feet. During the 1991 exploration season, rusty fragments were found south of and above the anomalous area, 2,000 feet southwest of the Buzzer Zone. The fragments contain disseminated chalcopyrite and molybdenite, and resemble some of the more altered rock found on the Buzzer Zone. In 1993, similar rusty fragments were traced over a length of 800 feet. The Company would like to determine whether these rusty fragments are associated with the Buzzer Zone, and whether the fragments are from the source rock of a large copper soil anomaly.

c. *Rowbottom Zone*

The third prospective area on the Taseko Property is the Rowbottom Zone. Drilling carried out to a depth of 300 ft. in 1970 by Sumitomo returned several interesting assays, including: 185 ft. grading 0.41% Cu and 0.034 Mo%; 180 ft. grading 0.25% Cu and 0.028% Mo; 30 ft. grading 0.39% Cu and 0.061% Mo, and 290 ft. grading 0.36% Cu and 0.006% Mo. The zone appears to be open to the north, northeast and northwest.

A small soil sampling program conducted on the Rowbottom Zone revealed areas anomalous in copper, gold and molybdenum. The Company would like to conduct additional work in order to determine if the soil anomalies are from glacial drift from a nearby deposit, or if they indicate an occurrence on the Rowbottom Zone.

3. *Exploration Spending to Date*

During the early 1970's over \$1.0 million was spent exploration work at the Taseko Property. There is an extensive road network, a grid that can still be used, rock sampling and drilling data. Work carried out included 8,609 ft. of diamond drilling and 16,660 ft. of percussion drilling. From 1988 through 1993, approximately \$1.4 million dollars was spent on additional exploration work on the property, including geological mapping, soil sampling, airborne geophysics and 30,394 ft. of diamond drilling.

4. *1994 Work Program*

The Company would like to carry out additional diamond drilling on the Taseko Property during 1994, at a cost of approximately \$140,000. The main targets would be areas within the 8,000 foot long series of soil geochemical anomalies west of the Buzzer Zone. Additional geological mapping, soil sampling, and whole rock analysis will be completed, in order to learn more about the setting of the mineralization.

E. USE OF PROCEEDS

The Company is seeking to raise up to \$750,000, in separate tranches, under the Financing, in order to fund its 1994-95 exploration budget. The proceeds will be used as follows:

Somerset Island Diamond Exploration Properties

| | |
|---------------------------|---------------|
| Analysis of 1993 Samples | \$30,000 |
| Diamond Drilling: Nord 2 | 70,000 |
| Bulk Sampling: Nikos-J.P. | 54,000 |
| Syndicate Costs | 8,000 |
| Reserve for 1995 Program | <u>80,000</u> |

Total Somerset Island Properties 242,000

Shadow Mountain Gold Property

| | |
|-----------------------------------|---------------|
| Geology, Geochemistry, Geophysics | 50,000 |
| Diamond Drilling | 60,000 |
| Regulatory/Administrative Fees | 20,000 |
| Staking of 40 Additional Claims | 4,000 |
| Reserve for 1995 Program | <u>50,000</u> |

Total Shadow Mountain Gold Property 184,000

Taseko Copper-Gold Property

| | |
|--------------------------------|--------------|
| Diamond Drilling | 120,000 |
| Geochemical Mapping & Sampling | 13,500 |
| Analysis and Report | <u>6,500</u> |

Total Taseko Copper-Gold Property 140,000

Corporate Overhead 150,000

Contingency 34,000

Total 1994-95 Exploration Budget \$750,000

F. STOCK MARKET STATISTICS

1. Summary Market Data

| | |
|--------------------------------------|--------------------------|
| Exchange: | Vancouver Stock Exchange |
| Symbol: | WM |
| Current Share Price (March 11, '94): | \$0.23 |
| 52 Week High-Low: | \$0.45 - \$0.12 (a) |
| Primary Shares Outstanding: | 4,619,300 (b) |
| Market Capitalization: | \$1.1 million |
| Fully Diluted Shares: | 6,086,400 (c) |

2. Major Shareholders (d)

| | |
|--------------------------------|-------|
| Alpine Exploration Corporation | 22.3% |
| Westley Technologies Ltd. | 24.5% |

(a) Source: Westpine Metals Ltd.

(b) Source: Westpine Metals Ltd.

(c) Includes a total of 1,467,100 options and warrants outstanding.

(d) These companies have certain members of management and directors in common with Westpine.

G. MANAGEMENT

Mr. Victor J. E. Jones, President and Director, has over 10 years of experience in the mining industry. He has been the President of Westpine since its formation in 1989. He has been the president of Westley Technologies Ltd., a Toronto Stock Exchange listed company, since 1983. During the course of his career, he has provided leadership to a number of other companies: he served as president of Mobil Data International from 1980 to 1986, and as president of Radcliffe Resources Ltd. from 1983 to 1993. Mr. Jones earned a B.Sc. degree and an MBA degree from McGill University.

Mr. Willis W. Osborne, Chief Executive Officer and Director, has over 28 years of experience in the mining industry. Mr. Osborne has been the CEO of Westpine for 5 years. He is also the founder and president of Alpine Exploration Corporation. Earlier in his career, he spent 12 years as an exploration geologist for Noranda Exploration. He has extensive experience in mineral exploration and development work. In particular, he managed the Taseko Project before, during and after the time that ASARCO had an option on the property. Mr. Osborne earned a B.Sc. in geology from the University of Minnesota in 1961, and an M.Sc. in geology from the University of British Columbia in 1966.

Dr. Thomas A. Richards, Director, has over 20 years of experience in the mining industry, and has, along with his associates, been successful in identifying several gold/silver properties, including the Troitsa Peak near Smithers, B.C. He is currently an independent geological consultant to companies in the mining industry. Earlier in his career, during an eight year tenure as a research scientist with the Geological Survey of Canada, he was responsible for the geological mapping of a large area of central British Columbia. Dr. Richards earned a Ph.D. degree from the University of British Columbia in 1971.

Mr. Costas M. Takkas, Director, has twelve years of experience in business and accounting. He is the managing director of Delta Management Ltd., and a licensed insurance manager. Mr. Costas earned a B.Sc. (Hon) from the University of London, and was admitted as a member of the Institute of Chartered Accountants in England and Wales in 1992.

Westpine also benefits from the expertise of various consultants, retained as needed to advise on exploration and drilling programs.

H. INFORMATION AND FOLLOW UP

Attached is additional information about Westpine including:

- (i) Westpine Metals Ltd. Corporate Update 1993-1994, prepared by the Company;
- (ii) Summary Report on the Somerset Project, prepared by Robert Potter, P. Eng., November 1993;
- (iii) Review of the Shadow Mountain Prospect, San Bernardino County, California, prepared by Westley Mines Ltd.;
- (iv) Report on the 1991 Exploration Program of the Taseko Property, prepared for Westpine Metals Ltd. by W. W. Osborne, February 12, 1992;
- (v) Westpine Metals Ltd. Annual Report for the Year Ended December 31, 1992 and Third Quarter Report for the Nine Months Ending September 30, 1993; and
- (vi) Selected Press Releases.

Additional information will be made available to interested parties, upon request. Interested parties may arrange interviews with management and site visits through IBK Capital Corp. Parties who do not wish to proceed to the due diligence phase are hereby requested to return the attached materials to IBK Capital Corp.