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The Company's *Lara Project* will develop a mining and milling facility to produce five metals. In order of commercial importance they are:
1. Gold 2. Zinc 3. Copper 4. Silver 5. Lead

This metal group is found in many substantial, commercial mining operations that are geologically related to volcanic formations in Canada and around the world. The proportion of the various metals is different in each mine. A very important feature of the Lara ore is the relatively high concentration of gold and silver which form more than 50% of the net commercial value. These are classified as "precious metals" which can sustain profitable returns from the mine when the industrial demand for base metals such as zinc, copper and lead is not strong. The opposite condition may also occur, so that future marketing of the five metals from Lara will have some natural resistance to poor prices for any single metal while retaining the speculative potential of today's gold market. Metal prices are generally strong at this time in spite of the sudden stock market decline in late 1987. Recent prices are as follows:

	High 1987	Low 1987	Mar. 15, 1988
Gold \$/oz	645	503	566
Zinc \$/lb	0.54	0.42	0.60
Copper \$/lb	1.86	0.77	1.46
Silver \$/oz	14.00	6.87	8.05
Lead \$/lb	0.44	0.26	0.44

* All prices quoted in Canadian dollars converted at \$1.28 Cdn. per U.S. dollar.

A 500 ton per day mining and milling facility processing high-grade ore at Lara would produce the following amounts of metal annually, assuming recovery factors experienced at similar mining operations:

Gold	19,000 troy ounces
Zinc	15,600,000 pounds
Copper	3,000,000 pounds
Silver	535,000 troy ounces
Lead	3,200,000 pounds

Metallurgical work carried out to date has generally indicated that three saleable metal products can be produced by a flotation plant at the minesite. These would consist of (a) zinc concentrate (b) lead concentrate and (c) copper concentrate which would contain most of the gold and silver. These products would be sold to smelters and refineries for reduction to metal bars and ingots.

The Lara polymetallic deposit is well situated on southern Vancouver Island to achieve low capital and operating costs. Exploration drilling has identified at least three years supply of high-grade ore with excellent geological potential to extend the mine life as development proceeds.

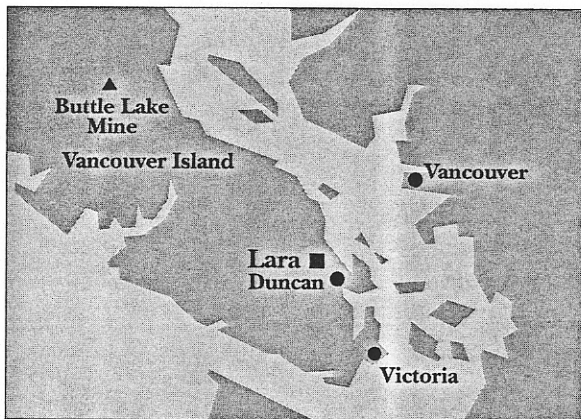


Diamond drill core logging, 117,000 ft. of drilling has been completed on the Lara project since 1984.

The Lara property was staked by Laramide in 1981 and in 1982 optioned to Aberford Resources Ltd., a predecessor company to Abermin Corporation. After three years of surface exploration, ore-grade mineralization was encountered by Abermin in drill hole No. 12 in late 1984. The discovery hole intersection was 10.6 ft. thick and averaged: **1.2% copper, 0.7% lead, 5.2% zinc, 2.7 opt silver and 1.35 opt gold.**

Since 1984, 230 diamond drill holes totalling 117,000 ft. have been bored to define ore reserves and explore the extensive Mt. Sicker rhyolite formation on the property.

In 1985, Laramide became a public company and elected to maintain a 35% interest in the Lara property by contributing 35% of the on-going costs.



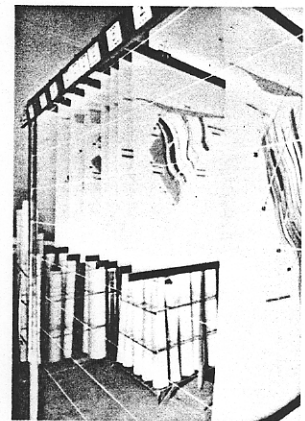
In 1987, Stage I environmental work and preliminary engineering studies were initiated to determine approximate capital and operating costs, power and water supplies, minesite layout, and tailings storage. Metallurgical studies of drill core samples were also completed. Following the 1987 drilling campaign, estimates indicated a three year supply of high-grade ore for a 500 ton per day production facility with a reasonable expectation of

capital being returned within two years. With the initiation of an underground exploration and development programme in 1988, a production decision in 1989 is a realistic possibility.

High-grade reserves indicated and inferred by drilling are: 583,000 tons averaging 8.7 ft. thick and grading **1.01% copper, 1.22% lead, 5.87% zinc, 2.92 opt silver and .138 opt gold.** In a near surface part of the Coronation Zone that has been drilled in detail a section 500 ft. long and 11 ft. thick averages: **1.48% copper, 3.07% lead, 14.91% zinc, 6.71 opt silver and .238 opt gold.** Due to heavy overburden cover, high-grade ore is exposed in only one trench on the Coronation Zone where it is 11 ft. thick and returned an assay higher than any drill hole to date as follows: **3.04% copper, 8.3% lead, 43.01% zinc, 14.98 opt silver and .72 opt gold.**

The results of detailed sampling on and near the surface suggest that mining grades higher than those presently indicated by widely spaced exploration drill holes are achievable.

The current Lara reserves are contained within a mineralized zone that is one mile long and 1,000 ft. deep. Ten high-grade orebodies have been identified by drilling in this zone to date. It is very likely that more of these orebodies will be found within the present reserve area and in the thick rhyolite sequence north of the Coronation Zone as underground development and detailed drilling progresses.



Top: High-grade ore in a pit on the Coronation Zone.

Above: Geological model of the Lara Deposit, at the Chemainus field office.

