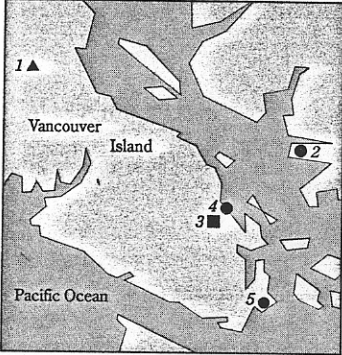


# THE LARA PROJECT

884793

1988 Anni Rpt.

## LARAMIDE RESOURCES LTD.



1. Buttle Lake Mine
2. Vancouver
3. LARA
4. Chemainus
5. Victoria

Laramide's 100%-owned base-metal/gold project is located on southern Vancouver Island. The mine portal is 10 miles by road from the main highway near the town of Chemainus, B.C.

Copper, zinc and lead occur with gold and silver in "Kuroko" type massive sulphide deposits. The ore-bearing formations are rhyolite beds of the Sicker Volcanic group and are geologically similar to the producing Westmin mine at Buttle Lake and a former producer on Mt. Sicker adjacent to the Lara property.

The Lara deposit was discovered by diamond drilling in 1984. Since then 117,000 feet of drilling has been completed indicating a resource of 583,000 tons averaging 1.01% copper, 1.22% lead, 5.87% zinc, 2.92 opt silver and .138 opt gold. The average thickness of the ore beds is 8.7 feet.

In 1987, preliminary metallurgical tests, environmental surveys, and prefeasibility

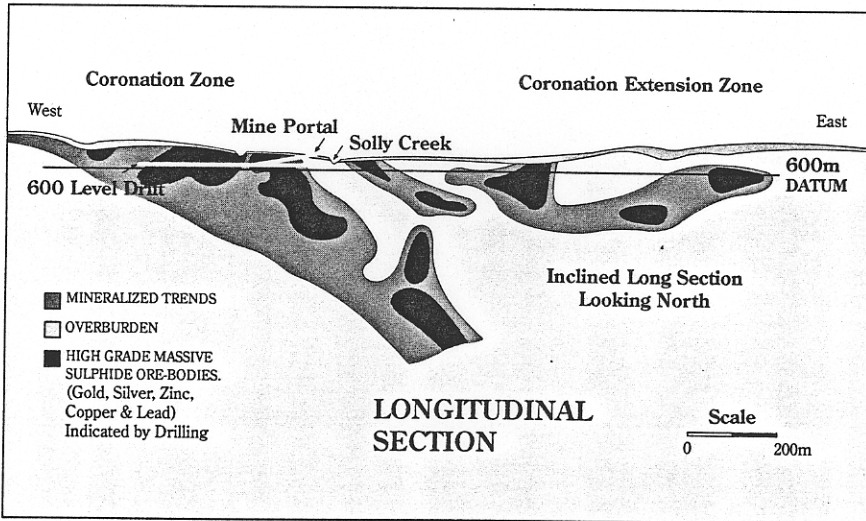


Miners working underground on the Lara project's 600 level.

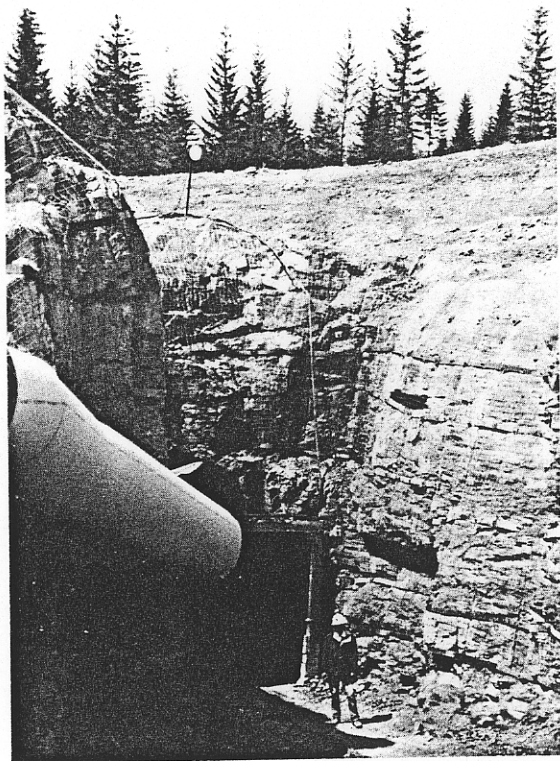
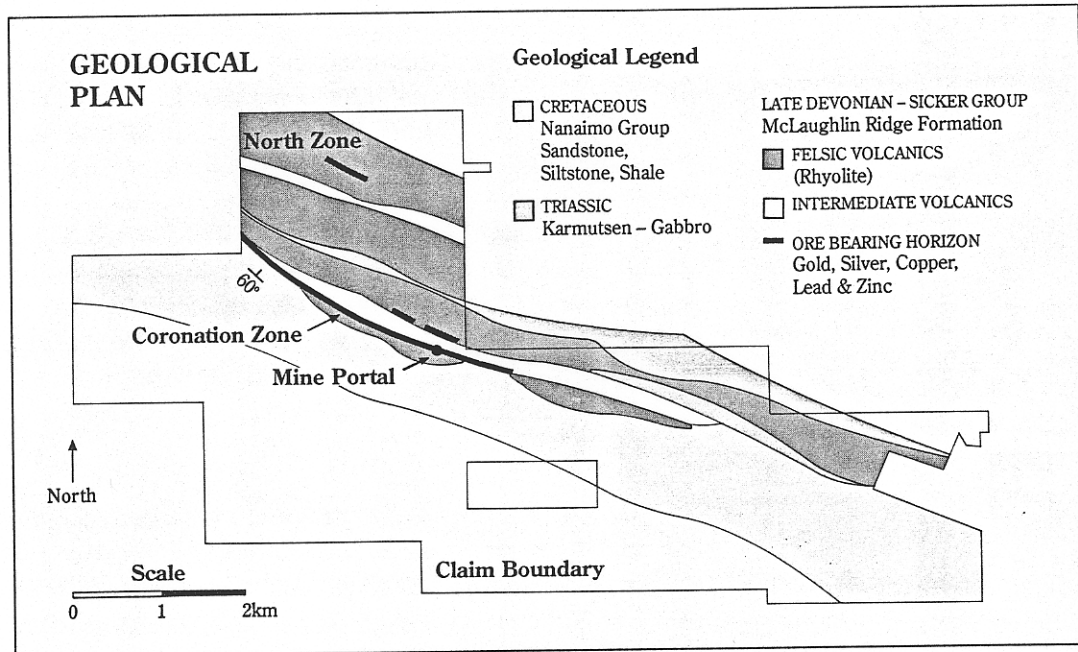
studies were initiated, indicating current potential for a 500 ton per day production facility with established geological permissiveness for a large, long-life mining operation. The property is well situated for low-cost mining and development with power, transportation and community facilities located nearby.

In 1988, a programme of underground exploration and development was carried out to confirm the continuity and mineability of the ore and to obtain a sample for final metallurgical testing. 2,300 feet of drifting and raising was completed.

Late in 1988 Minnova Inc. purchased a 29.7% interest in Laramide for \$2.3 million and has the right to operate the property for Laramide until June 30, 1991. Minnova is an experienced operator and developer of Canadian metal mines with particular geological expertise in massive sulphide base-metal deposits. Management believes that Minnova's presence as a principal shareholder of Laramide will give Laramide the financial stability to bring the Lara project to production.



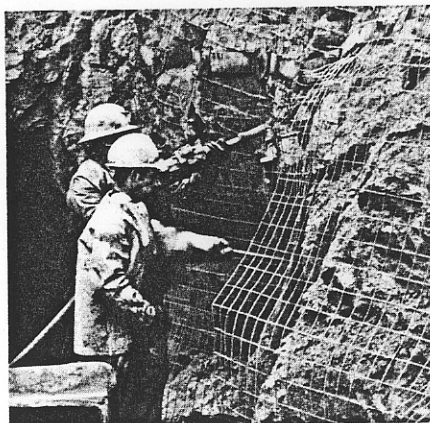
A total 2,300 feet of drifting and raising was completed during the 1988 programme of underground development.



*Mine entry portal.*



*Above: Aerial view, Lara project mine portal and surface facilities.*



*Left: Screening a rock face on the surface.*