

Westmin conducts exploration activities in western North and South America (predominantly in Yukon, British Columbia, California, Alaska, Arizona, Chile and Argentina) and targets both polymetallic deposits of base and precious metals and oxidized copper porphyry deposits. The Company holds varying ownership interests in a number of exploration properties, including a 60 percent interest in the Wolverine high grade zinc and silver deposit in the Yukon, an option to acquire up to a 60 percent interest in the Fin del Mundo zinc and copper prospect in Argentina and an option to acquire a 100 percent interest in the Fortuna de Cobre porphyry copper deposit, which is adjacent to the Lomas Bayas property.

Exploration spending by Westmin totaled \$9.2 million in 1996, including \$1.2 million spent at the Myra Falls Operations, and \$3.3 million of exploration costs related to the Wolverine Project which were capitalized. The Company's accounting policy is to capitalize mineral exploration costs with respect to mineral prospects where there are strong indications of a mineral resource with the potential of being developed into a mine. Gibraltar spent a total of \$1.6 million on exploration in 1996, of which \$0.4 million is reflected in the Company's 1996 financial results.

In addition to the Wolverine, Fortuna de Cobre and Fin del Mundo projects, Westmin has three wholly owned gold properties in Yukon and northern British Columbia which are undergoing early stage exploration, and varying interests in several more advanced precious and base metals properties in central and eastern Canada. It also holds joint venture interests in several massive sulphide prospects in southeast Alaska. The Company maintains an exploration office in Reno, Nevada which manages the exploration of several early stage oxide copper properties in the southwest United States. The Company also conducts exploration activities for oxide copper deposits in Chile with staff based in its Antofagasta office. Some of the more promising or advanced exploration projects are described below.

YUKON

Wolverine Project

In early 1995, Westmin acquired an option from Atna Resources Ltd. to earn a 60 percent interest in 143 claims in the Yukon-Tanana Terrane in south central Yukon. Westmin earned its 60 percent interest by making option payments totaling \$190,000 and incurring cumulative expenditures of \$3 million on the properties. On January 25, 1996, Westmin and Atna entered into a joint venture agreement governing further exploration and development on the Wolverine project. The geology of these properties is similar to that hosting the Kudz Ze Kayah massive sulphide deposit owned by Cominco Limited and located approximately 20 kilometres to the west of Wolverine. Westmin's promising drilling results on the Wolverine Zone and the Fisher Zone, eight kilometres northwest,