At the end of 2003, proven and probable reserves on the Marigold property totaled 93.3 million tons, grading 0.024 oz per ton (oz/st) of gold for a total of 2.2 million oz. These totals are based on a $325 gold price. At $400 gold, reserves increase by 11%.

During 2004, up to six reverse circulation drill rigs will be working at Marigold to provide infill drill data and to convert mineral resources to proven and probable reserves. Capital expenditures at the property are budgeted at $20.3 million for 2004 and $13.0 million for 2005.

The Marigold mine is located about 30 miles east of Winnemucca, Nev. The property encompasses 29 square miles. Glamis acquired its Marigold interest in 1999 with its acquisition of Rayrock Resources.

Surface facilities at the Myra Falls mine on Vancouver Island, B.C. The property produces zinc, copper and gold concentrates.

Breakwater Buys Myra Falls from Boliden

Breakwater Resources and Boliden have signed a letter of intent for Breakwater to purchase Boliden's Myra Falls zinc-copper-gold operations on Vancouver Island, B.C. Myra Falls includes a 1.25-million metric-ton-per-year (mt/yr) underground mine and concentrator, plus infrastructure that includes a storage and load-out terminal at Campbell River, British Columbia. During 2003 Myra Falls produced 57,400 mt of zinc, 10,700 mt of copper, 27,300 oz of gold, and 720,900 oz of silver in concentrates.

Breakwater will pay for the purchase of Myra Falls through issuance to Boliden of 18 million of its common shares valued at about $9.3 million plus 5 million warrants exercisable at $1.00 per common share until Jan. 28, 2009. The transaction was expected to close early in the second quarter of 2004, subject to the usual conditions, including due diligence by both parties, regulatory approval, and approval by the respective boards of directors.

Myra Falls is located at the head of Buttle Lake on Vancouver Island and is surrounded by the spectacular mountain scenery of the Strathcona Provincial Park. The mine has been in production since 1966 and owned by Boliden since 1998. The ore bodies are massive sulphide deposits of volcanogenic exhalative origin. A diverse assemblage of sub-parallel sulphide lenses range from zinc-rich bodies of 10,000 mt to the polymetallic H-W zone, with 10 million mt. Operators have historically been very successful at replacing mined ore. Current reserves are sufficient to carry production to 2012.

Two distinct but integrated mines are currently in production at Myra Falls. The H-W mine is accessed by a 716-m-deep vertical shaft, which is linked to its production areas by 14 km of ramps and lateral development. The Battle/Gap mine is linked to the H-W by a 1.8-km-long drift through which ore is trammed by rail to an underground crusher and hoisted to the surface.

Mining in the H-W mine employs sub-level stoping with longhole drilling. In the Battle/Gap mine, both sub-level stoping and drift-and-fill methods are employed, depending on the ore body configuration. Hydraulic backfilling using mill cycloned tailings is applied in both mines.

Processing at the surface plant includes secondary and tertiary crushing followed by rod and ball milling and flotation to produce both zinc and copper-gold concentrates. A gravity circuit incorporating a Knelson concentrator generates a separate gold concentrate. Concentrates are shipped mainly to Japan and Korea.