

Mining Exploration

During 1986 Westmin mounted an aggressive search for precious metals. By February 28, 1987, the Company managed exploration programs on 18 projects involving a total expenditure of \$11 million . . . over \$7 million of which was contributed by joint venture participants. As operator, Westmin also earned management fees.

Last spring, Westmin decided to invite joint venture partners (usually financed by flow-through share offerings) to participate in selected exploration programs. This course of action supplanted the original plan of financing various projects via a separate exploration subsidiary.

The 1986 program was successful in upgrading geological reserves at the Silbak Premier and Big Missouri properties near Stewart, British Columbia and at the Blue Moon property in northern California. In addition, initial diamond drilling on four other properties in British Columbia, Manitoba and Quebec intersected significant gold values.

Silbak Premier/ Big Missouri

Following an extensive diamond drilling program on the Silbak Premier and nearby Big Missouri properties near Stewart, British Columbia, Westmin is proceeding with an immediate detailed feasibility study which is scheduled for completion by mid-1987.

The Stage I Environmental and Socio-Economic Impact

Report is to be submitted to the provincial government in early April.

Geological and mineable reserves have increased significantly and drilling is continuing on the Silbak property to further define the Glory Hole zone.

Based on results of drilling completed to December 31, 1986, geological reserves in the Glory Hole zone total 6,380,157 tons grading 0.069 ounces gold per ton and 2.69 ounces silver or a gold equivalent grade of 0.105 ounces per ton, using current metal price ratios.

This is an increase of 15 per

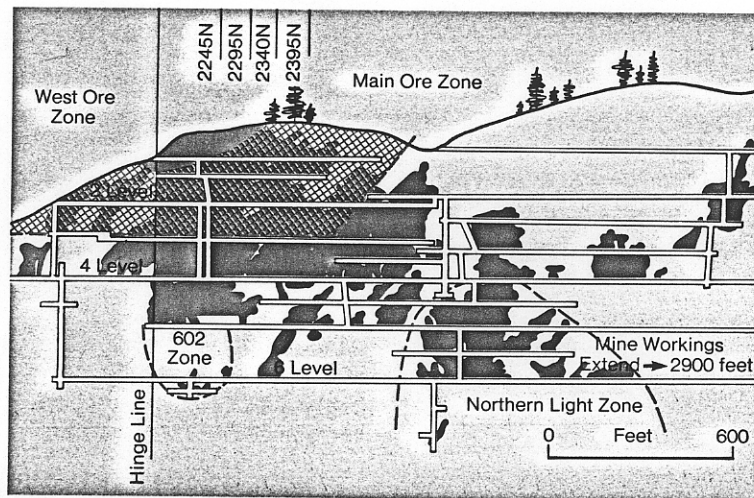
cent in gold grade and 7 per cent in silver from January 1986 estimates. The waste-to-ore ratio for mineable reserves has been reduced to 4.4:1 from 5.2:1. Underground drilling during the first quarter of 1987 on 2 Level continues to increase open pit reserves.

The higher grade West zone includes 474,260 tons averaging 0.234 ounces per ton gold and 1.81 ounces silver. As indicated by the longitudinal section, a great deal of the old underground workings have yet to be investigated.

Mineable reserves within the four open pit zones at Big Missouri are estimated at 1,806,760 tons grading 0.089 ounces per ton gold and 1.17 ounces silver (0.105 ounces per ton gold equivalent) with a

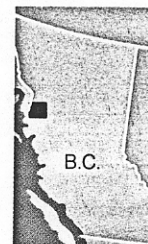


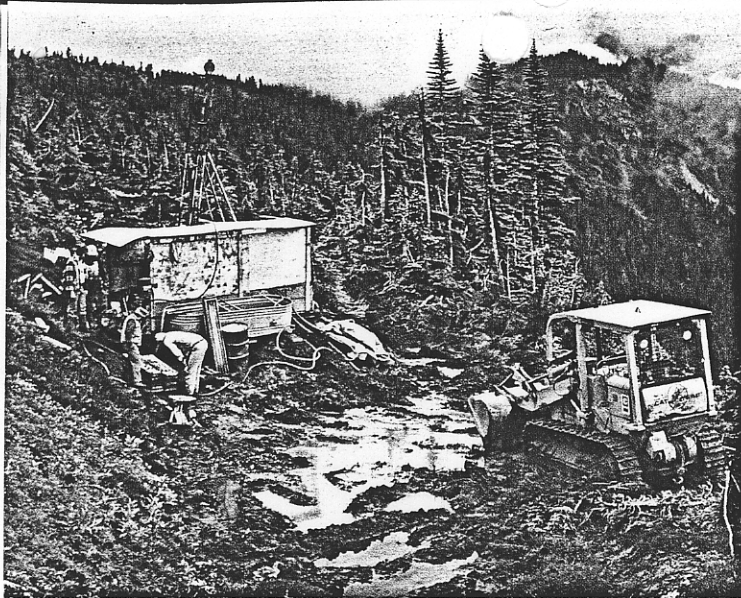
Stewart Area, B.C.
■ Gold/Silver Deposits



**Silbak Premier Project
Vertical Longitudinal Projection**

- Glory Hole
- ▨ Proposed Open Pit
- Former underground workings





Diamond drill location on Big Missouri precious metals property near Stewart, B.C.

waste-to-ore ratio of 2.34:1. The 1986 drilling has better defined the distribution of higher grade mineralization in the S-1 and Province zones and increased the mineable reserves. Some pits remain open to expansion of reserves in various directions.

Based on U.S.\$390 gold and U.S.\$5.40 silver and cash operating costs of \$134 per ounce and \$3.06 per ounce respectively, it is estimated that the capital (\$62,000,000) and operating costs can be paid back within two years.

During the first three years of higher grade production, annual output is estimated at 80,000 ounces of gold and 560,000 ounces of silver,

Westmin has vested a 50 per cent working interest in the Silbak Premier property and British Silbak Premier Mines has elected to have Westmin continue making expenditures to a total of \$6.7 million, at which time Westmin must provide a feasibility study and British Silbak may elect a 50:50 joint venture or undergo dilution to a 20 per cent carried net profits interest.

Westmin has earned a 70 per cent working interest in the Big Missouri property. Tournigan Mining Explorations retains a 30 per cent net profits interest from which Westmin may purchase an additional 7½ per cent interest for \$1,000,000 within 90 days of commencement of commercial production.

Canacord Resources Inc., which provided \$3 million for the 1986 exploration program, has earned an 18.75 per cent working interest in Westmin's interest in the project.

Debbie, British Columbia

Initial diamond drilling has led to the discovery of two significant gold-bearing zones on the Debbie property in the Port Alberni area, along the Sicker belt traversing Vancouver Island. Westmin has a 50 per cent interest in the property, while Nexus Resource Corporation and Angle Resources Limited have earned a 50 per cent interest in the project by funding a \$1,000,000 exploration program. Preliminary geological

and geophysical programs in early 1986 identified several precious and base metal targets.

In the Mineral Creek area, initial drilling intersected an extensive zone of pyritic, quartz-carbonate alteration in mafic volcanic rocks of the Sicker Group. Eleven holes have been drilled along a strike length exceeding 1,650 feet. Six of these holes intersected significant gold values in excess of 0.12 oz/t, the best of which are:

	Gold			
	Ft.	(m)	oz/t	(g/T)
DM5-86	9.0	(2.7)	0.31	(10.6)
DM12-86	4.9	(1.1)	0.39	(13.3)
DM15-86	7.7	(2.3)	0.56	(19.0)