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Premier

WESTMIN
RESOURCES
LIMITED

ANNUAL
REPORT
1993

886488

APR 5 1994

Geological Survey Branch
Ottawa

WESTMIN

PREMIER GOLD OPERATIONS

1993 was the first full year that Premier Gold Operations operated as an underground mine, with about 50,000 tonnes of remnant stockpiles left over from the earlier open pit also being treated. The main supply of ore came from the efforts of a small dedicated group of employees who have been rehabilitating, then producing, from the old historical underground workings. During the year they mined approximately 107,000 tonnes of ore.

Mining

The two main areas mined in 1993 were the Northern Light and the Glory Hole Zones.

The Northern Light Zone provided 44 per cent of the production from longhole pillar blasts. The remainder came from development, shrink stoping, and conventional pillar extraction. Mining of this zone is now almost complete and preparation work is underway with a view to opening the next area known as the Premier Main Zone.

Mining of the Glory Hole, a caved area left by previous operations, started in earnest on the 575 Level in March 1993 and supplied 50 per cent of the ore for the rest of the year. Later in the year 555 Level was opened and was still producing at year end. Additional levels are planned for 1994.

Milling

During the year employees became adept at quickly starting up and shutting down the mill while maintaining good recoveries, resulting in improved efficiency of the operation. Indicative of this excellent performance are the highest annual recoveries for gold (94.0 per cent) and silver (57.2 per cent) since start-up. Custom milling continues

to contribute to the Premier operation with approximately 3,000 tonnes of ore from six different sources being processed through the facility on a custom basis in 1993. As in 1992, a multitude of ore samples from deposits in Western Canada and Alaska were tested with a view to possible custom milling or joint venturing. The Company is continuing to actively pursue several of the more interesting prospects.

Exploration

Three diamond drill holes totalling 1,752 metres were drilled 200 to 600 metres northwest of the extremities of the old Sebakwe mine workings in the Premier mine. The holes targeted the projected continuation of the favourable stratigraphy and structure into an area that had never been tested because it is capped by a thick sequence of barren stratigraphy. All three holes intersected the favourable stratigraphic unit at the expected depths and all three contained alteration, veining, and sulphides. Additional drilling is planned in 1994 to follow-up these encouraging indications for precious and base metals mineralization. Extensions of the known mineralization continue to be assessed for exploration and development.

Environment

For the second consecutive year the Premier Gold Operation achieved 100 per cent compliance in its permit monitoring requirements at its downstream control point on Cascade Creek below the confluence of Logan Creek. The tailings facility continued to perform well and was

Production Summary

	1993		1992	
	PREMIER	CUSTOM MILLING	PREMIER	CUSTOM MILLING
Ore Mined (tonnes)	106,060	N/A	358,608	N/A
Ore Milled (tonnes)	159,172	3,028	389,130	3,944
Grades (g/t)				
Gold	4.38	3.55	3.06	15.30
Silver	47.91	30.29	50.70	54.42
Recoveries (%)				
Gold	94.0	93.2	92.6	93.2
Silver	57.2	41.6	44.0	45.9
Production (oz)				
Gold	20,475	645	35,597	1,809
Silver	139,309	1,235	280,463	3,125

expanded to provide more water storage capacity. Similarly, the mine water lime treatment facility and settling ponds located at the 6 Level portal continued to achieve very high standards of quality for water discharging from the underground workings at Premier.

Water flows from the north portal on the SB exploration property have generally been of good quality, however, two minor exceedances of the 1.0 ppm zinc permit levels occurred, but were ameliorated without any environmental impact.

Geological Reserves

	Proven & Probable Reserves (tonnes)	Grade	
		Gold (g/t)	Silver (g/t)
TOTAL as of January 1 1994	151,200	7.54	55.20
TOTAL as of January 1 1993	107,250	8.91	30.00
Milled in 1993	*159,172	4.38	47.91

* includes 52,882 tonnes of stockpiled ore

Monitoring and Compliance

Premier's British Columbia Ministry of Environment permit requires the Company to monitor mine site effluents and receiving waters on a daily, weekly, and monthly basis to ensure compliance. The monitoring program results for the receiving environment are tabulated below in the form of a compliance rating and illustrate the exemplary environmental performance of the operation. Despite this excellent record, permit fees have increased dramatically.

In addition, the Company voluntarily undertook biological monitoring of receiving waters in Cascade Creek and as expected, found that effluents are having no significant effects.

Premier Gold Project Cascade Creek Permit Compliance Rating

	Dissolved Zinc	Dissolved Copper	Parameters (Per cent)	
			Total Cyanide	Toxicity
1993	100.0	100.0	100.0	100.0
1992	100.0	100.0	100.0	100.0
1991	99.6	99.6	99.6	100.0
1990	92.3	100.0	100.0	100.0
Permit limits (units)	0.03 (mg/l)	0.004 (mg/l)	0.010 (mg/l)	

Reclamation

Reclamation efforts on the Premier and Big Missouri properties continued in 1993 with recontouring and seeding of waste dumps and exploration roads. Approximately 30 per cent of the waste dumps and disturbed areas are under reclamation. Previous revegetation efforts are becoming more noticeable as fertilizing and other maintenance activities continue.

The small pit on the Province Zone on the Big Missouri property continues to discharge small volumes of metalliferous acidic waters. Initial efforts to minimize acid generation from oxidizing sulphide waste rock were only partly successful and additional remedial efforts are planned for 1994.

A conceptual closure plan for the mine was submitted to the British Columbia Ministry of Environment to provide for site remediation when mining ceases. In the interim, the Company continues to work towards the remediation of all inactive mining areas.

Human Resources

Ten lost time accidents occurred during the first seven months of 1993. This was not acceptable. Safety performance improved significantly during the last five months with only one lost time accident recorded.

Outlook

The year of successful underground mining at Premier provides increased confidence that the operation may be able to continue to operate on this basis as long as reserve levels can be maintained. Custom milling opportunities are becoming more plentiful as the Company's reputation as an efficient operator becomes known to other British Columbia and Alaska mining property owners. Early in 1994 an agreement to treat the gold-rich concentrates from the Snip Mine was signed with the mine operator, Cominco, on behalf of itself and the joint owner Prime Resources. Premier is competitive for this business partially because of the high transportation costs to other destinations.

CORPORATE HIGHLIGHTS

	1993	1992
FINANCIAL HIGHLIGHTS		
(thousands except per share data)		
Revenues	36,962	105,724
- Mining	30,863	87,325
- Investment and other income	6,099	18,399
Cash Flow From Operations	(15,277)	6,655
Net Loss	27,021	18,108
Net Loss Per Share	0.83	0.71
Long-Term Debt	81,745	114,992
Capital Expenditures	4,792	6,576
Total Assets	184,578	303,357
Shareholders' Equity	91,935	137,439
Common Shares Outstanding		
Total at December 31	43,378,681	42,968,595
Annual Average	43,220,446	42,070,177
Common Shares traded on the Toronto Stock Exchange	4,202,565	4,716,242

OPERATING HIGHLIGHTS

Myra Falls Operations

Ore Milled		
- Tonnes	433,410	1,171,629
- Daily average (tonnes/day)		
- based on operating days	3,386	3,228
- based on 365 days (366 in 1992)	1,187	3,201
Production - Payable Metals		
Gold (oz.)	8,810	28,065
Silver (oz.)	122,626	457,182
Copper (000's lbs.)	14,900	36,983
Zinc (000's lbs.)	17,481	57,385
Geological Reserves (tonnes)	12,514,800	12,516,300

Premier Gold Operations

Waste Mined (tonnes)	-	1,790,964
Ore Mined (tonnes)	106,060	358,608
Ore Milled		
- Tonnes (1)	162,200	393,074
- Daily average (tonnes/day)		
- based on operating days (tonnes/day)	1,954	2,203
- based on 365 days (366 in 1992)	444	1,066
Production - Payable Metals (Net Interest)		
Gold (oz.)	21,119	38,553
Silver (oz.)	140,544	283,230
Geological Reserves (tonnes)	151,200	107,250

- (1)** 1993 production includes 3,028 tonnes custom milling ore.
1992 production includes 3,944 tonnes custom milling ore.

Exploration

During 1984, Westmin spent approximately \$4 million on mineral exploration compared with \$3.4 million in 1983.

Emphasis continues on programs directed towards precious metal and poly-metallic massive sulphide deposits.

Minesite

Exploration activity in the vicinity of the Lynx mine resulted in the discovery of three new massive sulphide zones — two of which appear to be on the Lynx mine horizon. The third, considerably to the west of the H-W orebody, is on a deeper horizon, at a comparable level to the H-W horizon. Additional drilling is planned in 1985 to further define these zones.

Stewart Area, British Columbia

Westmin is carrying out exploration for precious metals in the Stewart area of northwestern British Columbia under the terms of joint venture arrangements with Tournigan Mining Explorations Limited on the Big Missouri property and with British Silbak Premier Mines Limited, on the Silbak Premier property. In 1984, work on both of these precious metal properties resulted in the expansion of the reserve base.

Big Missouri

Four potential open-pit zones containing gold, silver and minor base metal mineralization have been defined on the Big Missouri property and at the end of 1983, open-pit geological reserves were estimated at 2,167,000 tons grading 0.098 oz gold equivalent/ton. In 1984, a modest drilling program concentrated on establishing continuity within the Dago Zone and resulted in a small increase in reserves. As detailed calculations are incomplete, this increase in reserves has not been included in the above total.

A feasibility study is scheduled for completion in June 1985 and, when delivered to Tournigan, will result in Westmin achieving a 70 per cent interest in the property.

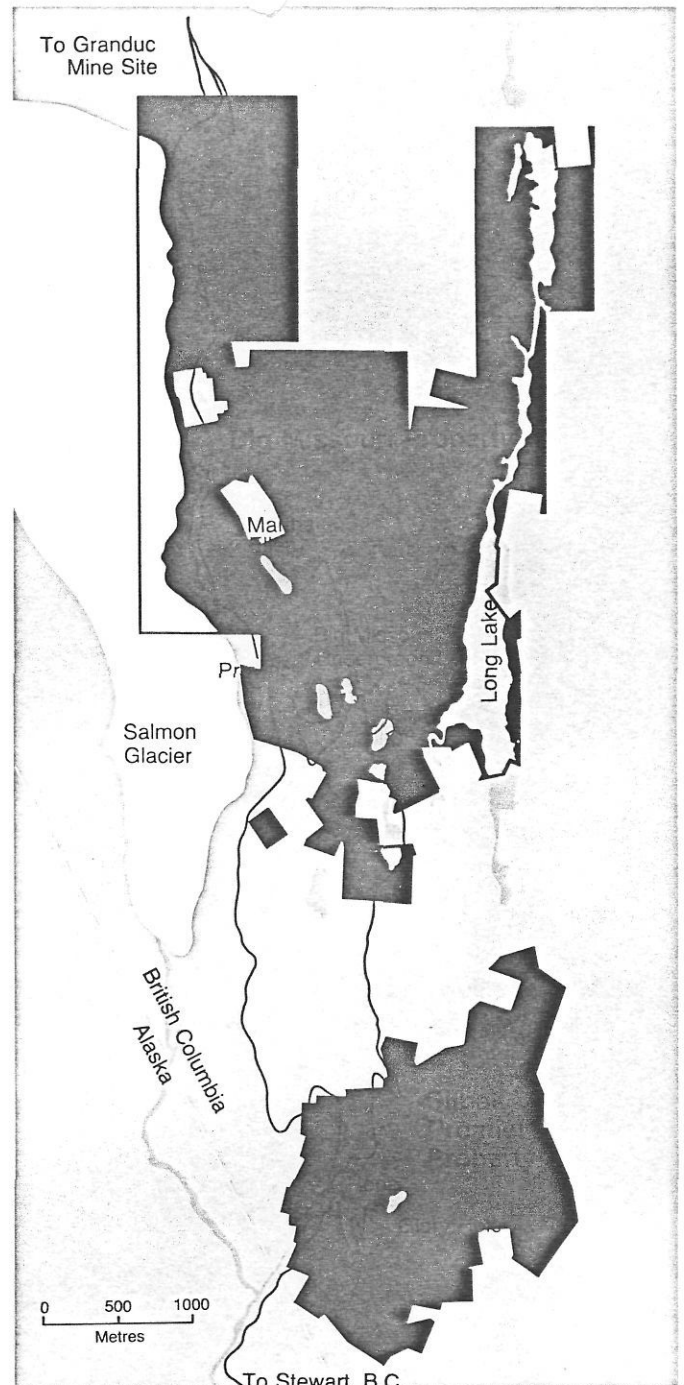
Silbak Premier

The expansion of geological reserves in the Glory Hole area was the focus of the diamond drill program in 1984. A steeply dipping zone up to 60 metres wide and up to 600 metres long has been partly defined and estimated open-pit geological reserves are tabulated below.

A further drilling program will be undertaken in 1985 to complete the delineation of this zone.

Reserve Category	Tons	Grade		
		Gold oz/ton	Silver oz/ton	Gold Equiv.* oz/ton
Probable	1,348,000	.073	3.48	.156
Possible	1,535,000	.066	3.31	.145
Inferred	1,412,000	.074	2.89	.143
Total	4,295,000	.071	3.22	.148

*Based on 42 ounces silver/ton equivalent to 1 ounce gold/ton.



Stewart Area, B.C.

■ Mineral Deposits



PREMIER GOLD PROJECT

Premier Gold, which is located 15 kilometres north of Stewart, went through an eventful year in 1992. The year marked the completion of mining of the economical portion of the open pit and the transition to smaller scale, underground mining. The milling rate was reduced from 50,000 tonnes per month at the beginning of the year to 15,000 tonnes at the end of the year with a reduction in the workforce from 105 to 45 in June 1992.

Mining - Open Pit

Mining of the open pit ceased in August after reaching the ultimate depth of the Phase A section of the pit. Mining of the final benches of the open pit resulted in an ore stockpile of approximately 60,000 tonnes which was used to supplement the underground ore for the remainder of 1992 and into 1993.

Mining - Underground

In early 1992, rehabilitation work took place within the old underground workings. This included the replacement of tracks, repair of manways and raises, bringing power and air to new working areas, and generally making the underground a safe place to work. Since early summer, an average production rate of 200 tonnes per day has been achieved while the initial mining reserves of early 1992 have been maintained.

Following completion of open pit mining, a tunnel was driven from the open pit wall to access

broken ore that had collapsed into the top of the historic underground workings. Previous drilling had indicated that a potentially large tonnage of reasonable grade ore (4.0 g/t gold) could be recovered from this area. This material will be an important source of mill feed during 1993. If the first level works satisfactorily several more levels at lower elevations can be driven.

Milling

The mill continued to perform well during 1992 and achieved

excellent operating costs. Much emphasis was given to custom milling opportunities as evidenced by the metallurgical group leach testing 24 different ore samples from various deposits and conducting several flotation experiments.

During 1992, custom milling tonnage was 3,944 tonnes from four separate sites. The interest generated among members of the mining industry in the Premier mill should result in more tonnage being shipped to Premier in the future.

Production Summary

	↓ 1992 <u>PREMIER</u>	1992 CUSTOM MILLING	1991 PREMIER
Tonnes Mined			
Ore	358,608	N/A	356,680
Waste	1,790,964	N/A	3,835,751
Tonnes Milled	389,130	3,944	526,868
Grades (g/t)			
Gold	3.06	15.30	2.37
Silver	50.70	54.42	51.93
Recoveries (%)			
Gold	92.6	93.2	90.4
Silver	44.0	45.9	42.6
Production (oz)			
Gold	35,597	1,809	36,708
Silver	280,463	3,125	392,690

1991 production excludes Westmin's share of SB production

Geological Reserves

	Proven & Probable Reserves (tonnes)	Grade Gold (g/t)	Silver (g/t)
TOTAL as of January 1, 1993	107,250	8.91	30.00
TOTAL as of January 1, 1992	418,200	3.07	41.60
Milled in 1992	391,073	3.06	50.70

STEWART AREA - GENERAL

August Report 1992

1) SILVER BUTTE (SB) [MI 104B150]

Bruce McLeod told me that Tenajon (Northair) have made an application to explore/develop/mine the Kansas Zone which is separate from the 35 (face cut) Zone which was mined last year. These are awaiting a tax ruling from the Federal Government before proceeding. (Photo)

2) **GOLD DROP** - I met a prospector (Ty?) who had recently discovered a new small high grade gold showing near the mouth of the **Marmot River** (adj. to John Lueck's old claims).

3) **SCOTTIE GOLD** - Some damage to camp buildings occurred due to the extreme snow load last winter. Reclamation/clean up was in progress. (Photo)

4) The **Granduc Road** is 'open' to the Tide Lake airstrip but no maintenance is scheduled. It won't last long if a long term strategy isn't planned.

5) **PREMIER** - Underground mining is progressing; open pit mining should be completed very soon. The custom milling scenario will be important (eg. Red Mountain; Royal Oak Res.)



Westmin Resources Limited
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P.O. Box 49066, The Bentall Centre
Vancouver, B.C., Canada V7X 1C4
604 681-2253 Telex: 04-51573
Telecopier: 604 681-0357

31 January 1991

LOG NO:	FEB 06 1991
ACTION:	
FILE NO:	PREMIER

B.C. Ministry of Energy, Mines
& Petroleum Resources
Geological Survey Branch
Parliament Buildings
756 Fort Street
Victoria, BC
V8V 1X4

ATTENTION: Dr. Vic Preto, Manager
District. Geology & Coal Res.

Dear Sirs:

RE: Premier Gold Operations

MINING

As indicated in Westmin's December 6, 1990 press release, a copy of which is enclosed, the production at Premier Gold has not fulfilled expectations. Most of the project's problems have been associated with the mining at both Big Missouri and Silbak Premier, where operating costs have been higher than planned and tonnages and ore grades lower than expected.

The most recent setback occurred in the Phase B pit at Silbak Premier where a shortfall in both tonnage and grade in the first few benches of mining created much concern and made the zone uneconomic given the already high waste to ore ratio.

These concerns have spread to the Phase A pit where reconciliations of original estimates of mineable reserves and actual Production have been reasonably good. In response, a re-estimation of the Phase A pit is being done to confirm remaining reserves. Assuming the reserves in the Phase A pit remain unchanged, mining will occur at a lower rate and milling is planned at approximately 1500 tonnes per day with a life of approximately two years. If the reserves are reduced, a shorter life extending into this fall is likely with mining stopping a few benches lower after the 2-Level pillars are removed. The Phase B pit may undergo further evaluation but it is assumed to be uneconomic unless significantly higher gold and silver prices occur.



Letter To: B.C.E.M.P.R.
30 January 1991
Page 2

EXPLORATION AND TOLL MILLING

Westmin has entered into an option with Tenajon Resources Ltd.'s SB Property whereby the current ore reserve of approximately 105,000 tonnes could be developed and processed in the Premier mill, either as a supplement to existing ore or on a stand alone basis. However, this reserve only represents a few months mill feed for the 2000+ tonne/day facility.

Westmin is aggressively seeking other toll milling opportunities in coastal BC and Alaska, and in the Stewart camp. Ores from Scottie Gold could be a possibility; but again these are short term opportunities that don't solve the intermediate to long term needs for more ore.

Westmin's exploration in the Stewart camp is primarily for higher grade underground ore. Four zones in the former Silbak Premier mine have been partially explored and offer potential for future development. However, this work is progressing at only a moderate pace and may require several years to reach a production threshold.

Despite the negative outlook for Premier Gold, Westmin remains encouraged about the long term exploration potential of the camp, and its properties in particular. In light of our commitment Westmin recently expanded its property position in the camp.

Sincerely,

WESTMIN RESOURCES LIMITED

A handwritten signature in black ink, appearing to read "Harlan D. Meade".

Harlan. D. Meade
Vice President, Exploration

HDM:jmb

cc: B.K. McKnight
W.T. Segsworth



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June 22, 1992

Mr. Tom Schroeter, P. Eng.
Sr. Regional Geologist
Ministry of Energy, Mines and Petroleum Resources
Geological Survey Branch
Ste. 301, 865 Hornby Street
Vancouver, B.C. V6Z 2G3

LOG NO: JUN 23 1992 VAN 8
ACTION:
FILE NO: GSB Policy / PREMIER

Dear Tom:

In response to your letter of June 16, 1992, we are pleased to provide you some insight into the use of the historical production and geological information of the former Silbak Premier mine. Firstly, I must relate a little of the history. The acquisition of the property by Westmin in 1983 would not have occurred had it not been for the large amount of historical records that were available from which to assess the potential. Somewhat ironically the real use of that data has largely occurred since the property was committed to production and the evaluation of the underground potential is now under way in earnest. The stope records of course, are invaluable in the current pillar recovery operation in progress at Premier.

I would be remiss if I didn't comment on the history of the preservation of the mine records prior to our involvement. Upon the closure of Premier in 1953 they were left to fend for themselves, and with time they became exposed to the elements and would have been destroyed by rain, mice, etc. in the mine office had it not been for Adam O'Kranic a former employee of Silbak Premier Gold Mines who collected the linens and other records and stored them in his basement. Although some records were lost, most were preserved and found their way to British Silbak Premier Mines Ltd. They repatriated the property ownership from Great Britain in the late 1970's and optioned the property to Westmin.

Today these records are invaluable and their excellent quality has allowed us to integrate their data into our computerized data bases and expect that their true value will only be known with time as they reveal their secrets. In my mind these records were worth many millions of dollars to Westmin. Like most mining camps their continues to be much exploration work that needs to be done and hence these data bases continue to have real value.

I am pleased to see you take on this initiative to preserve such data bases and I wish you success in this endeavor.

Sincerely,

WESTMIN RESOURCES LIMITED

Harlan D. Meade
Vice President
Exploration and Environment

HDM/sjl
LTR/92-239

OTHER ASSETS

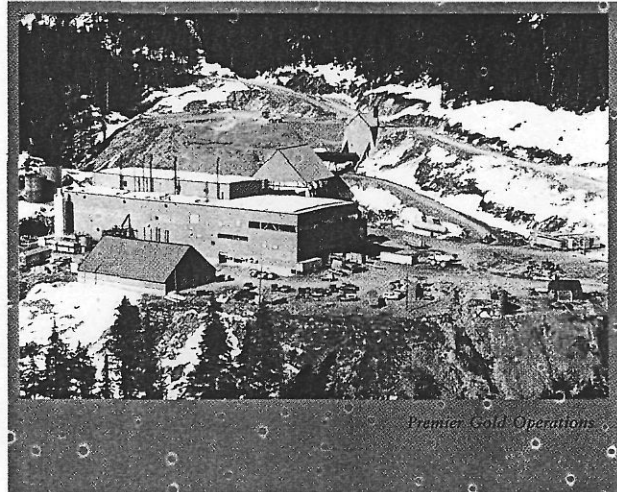
COAL

On January 3 1997, Highvale Power Corporation, a subsidiary of Brascan Limited, completed its purchase of the Company's coal assets for total consideration of \$80 million. This transaction had an effective date of July 1 1996. All revenues with respect to the sale of the coal assets accrued to the purchaser from that date. Although title did not pass until January 1997, the sale was recognized in 1996 given that all other conditions of the sale had been met. After the retirement of associated debt, this disposition resulted in net cash proceeds of approximately \$36 million.

PREMIER GOLD OPERATIONS

The Company commenced production at the Premier Gold Operations in 1989 as a 2,000 tonne per day open pit mining and milling operation. Located approximately 20 kilometres north of Stewart, British Columbia, the Premier Gold Operations were developed to extract a number of small gold and silver deposits which had been incompletely mined by underground methods. The open pit was unprofitable in spite of major productivity improvements completed in 1990. In 1992, the Company decided to suspend the open pit operation and extract the ore via more selective underground methods. This necessitated reducing the milling rate to about 15,000 tonnes per month compared with a mill capacity of about 60,000 tonnes per month. The operation continued to produce for nearly four years from the underground mine with mixed results. On April 4 1996, the Company announced that mining at Premier would cease effective April 22 1996. The custom treatment of ores and concentrates for third parties continued until the fourth quarter of 1996. After the shutdown of the mine, a detailed drilling program was conducted to successfully confirm part of a large indicated resource.

Management has determined that the Premier Gold Operations are not a core asset and is actively seeking a purchaser. Premier's accessible location close to tidewater, mineable reserves, excellent milling performance and under-utilized tailings facility should be attractive features to prospective purchasers.



→ Premier

1996 AR
Westmin



The Premier Hardrock Miner

SEPTEMBER 1991

	BASIC FACTS		YEAR TO DATE	
	AUGUST ACTUAL	PLAN	ACTUAL	PLAN
PREMIER GOLD TONNES MILLED	27,162	46,500	412,429	423,700
CUSTOM TONNES MILLED	23,060	-	29,941	-
PGP GRADES: GOLD g/mt	2.47	2.69	2.16	2.23
SILVER g/mt	46.75	49.63	52.74	52.37
METAL PRICES (U.S. \$)				
GOLD \$/oz	356.51	380.00	364.28	380.00
SILVER \$/oz	3.94	4.80	4.05	4.80
DORE PRODUCTION				
GOLD oz	2,660	3,616	26,656	27,701
SILVER oz	16,342	37,062	317,533	361,537
REVENUES (CAN.\$)	1,341,162	1,825,800	12,947,713	14,427,603
OPERATING COSTS (CAN. \$)				
MINE	1,001,896	913,600	8,567,214	7,524,900
MILL	228,995	327,112	3,771,695	4,699,317
PLANT & GENERAL	294,180	270,800	2,402,609	2,467,100
ADMINISTRATION	(24,550)	(7,928)	507,425	593,724
TOTAL	1,500,521	1,503,584	15,248,943	15,285,041

Following deferral of a portion of the mining costs, due to the processing of SB ore, there was a profit, in August, of close to \$290,000. Consequently the average profit share per employee will be approximately \$215.00 (to be paid out October 18th).

There was an error reported in July's "Basic Facts". The headings "Custom Tonnes Milled" and "Premier Tonnes Milled" were Transposed but the production figures remain as shown.

IN MEMORIAM

Richard Frank Hoyer, Acting Mill Shift Supervisor, passed away on Tuesday, September 11, 1991, at Mills Memorial Hospital, Terrace, after a brief illness.

Richard joined the Mill Department on August 24, 1989, and brought with him many years of valuable experience which played an important role in the successful start-up of our milling operations. He was also an active member on the Visions And Values Steering Committee.

Richard will be missed and management joins his fellow employees in offering sincere condolences to the Hoyer family.

A service was held at the Stewart Christian Fellowship, and interment was at Ward's Pass Cemetary.

**PHASE "B"
DRILL PROGRAM**

A \$125,000 drill program has been proposed to test 50m into the inner wall of the Premier Pit. Drilling will be conducted in two phases:

Phase 1 consists of 700m of underground diamond drilling from 2 Level. All drilling will be carried out from 1 drill station 20m in from the back of 555 Bench. The drill hole layout consists three 4-hole fences drilling up and across the ore zone. The entire core sample will be submitted in 10ft. Intervals for analysis. Boisvenu Drilling is the contractor.

Phase 2 consists of 1000m of reverse circulation drilling. This is the minimum meterage that the preferred contractor, Midnight Sun Drilling will take on

this job. The drill pattern consists of two 8-hole fences of 90° holes spaced 10m apart. A 4-hole fence will also be drilled along the front of the 625 Bench.

If assay results from Phase 1 drilling are poor Phase 2 will be cancelled. But, if assay results and rock recovery from reverse circulation drilling would be warranted and would be recommended to management.

CHRISTMAS PARTY DATES

Yes, it's getting close to that time of year again. So here's some (lots) advance notice:

The dances will be held at the same place, Curling Club Lounge, on Saturday, December 7th, and Wednesday, December 11th.

"LADIES, BOOK YOUR HAIRDRESSING APPOINTMENTS."

The second mill run was completed on Aug. 31, with 23,000 tonnes milled, and a head grade of 9.008 g/t Au. The development phase of the mining is finished, with 932 meters of decline and drifting (tunnelling) completed.

The decline was driven beside the orebody, with levels established every ten meters vertically, with drifts through the ore on each level. We are now blasting out the ore between the levels. The ore is being loaded into trucks using remote controlled loaders (scoop trams) and trucked up the decline and out of the mine.

The haulage contractor, Soucie Construction, is operating three trucks twenty hours per day to haul the ore from the SB Mine to the Premier stockpile. If all goes well, the project will be finished some time in November.

To date the mill has processed 29,941 tonnes of SB ore. We expect to mill another 21,000 tonnes during the 10-day run which began September 17th. So far the percentage of metal recovered has been in line with the testwork performed before the start-up of mining. The two mill runs have produced 8.188 oz. Au. and 20.879 oz Ag.

=====
COMPANY SERVICE
AS OF
SEPTEMBER 1991

1 YEAR - 0
2 YEARS - O'Neil Loza,
Mill Maintenance
Mathey Dmitruik, Mine

=====
VISIONS AND VALUES

In this newsletter our Visions and Values are listed. This list should be kept accessible at all times since these values should guide all our actions.

Whenever a decision is required, let's ask ourselves how that decision will stand against the Value Statements.

=====
UPDATE ON PREMIER GOLD

This operation has come a long way over the last few months and is now making some money for all of us, through the Profit Sharing Plan, and also for the shareholders of the Company.

This turnaround would not have been possible without the effort of all those working at this site and I am certainly proud of being part of this group.

The present plans call for the mining of Phase "A" only, which should be completed by fall 1992.

After mining some seven (7) benches in this Phase "A", we have found 13% less tonnes of ore and the grades of gold and silver have been about 10% lower than predicted. These lower values are cause for concern and as we develop the 1992 plan, we must take into account this new information.

Our Exploration Group along with our on site geologists are looking actively for other sources of ore in order to extend the life of this operation. The drilling of Phase "B" is part of this program as explained in another section of this Newsletter. Also much trenching, diamond drilling and surveying is being done in the immediate area and so far, many small targets have been found, but no sign of the "Big One" as yet. Even the old underground workings under the pit are being re-examined.

Overall, the situation at Premier is much better than a year ago, however, no one will pretend that it is going to be "Smooth Sailing" from now on. We have to take the ore as we find it and recover it as efficiently as possible.

ORGANIZATIONAL CHANGES

Effective September 11th the following Personnel changes took place: Dick Hogan was promoted to Mine Surface Superintendent. Alf Randall was promoted to Chief Geologist. Both positions report to the Mine Manager.

Pat Ferguson, Mine Maintenance, was promoted from temporary to full time employee status effective September 1st. "Welcome Aboard Fergie".

=====
PROFIT SHARING COMMITTEE

Elections were held recently to fill two vacancies on this committee created by the resignations of Doug Ablett and John Holmberg.

Charlie Cameron was elected by acclamation and will represent the Mill Operations Group. Tom Hallbauer was elected to represent the front line Supervisory Section.

=====
AUGUST SAFETY DRAW

The lucky winners of the 14th Safety Draw were:
O'Neil Loza, Mill Mt.*
Mike Orr, Mine
Doug Yurisich, Mine **
Larry Hazard, Mine Mt.

WESTMIN RESOURCES LIMITED

VISION

Westmin Resources Limited, a mining company, will reward investors with financial success. Its team of committed and responsible employees expert in mineral exploration, development and production will provide a quality working environment while fulfilling customer needs and enhancing the value of the community.

VALUE STATEMENTS

EMPLOYEES

We the people of Westmin are committed to work in environments which promote openness and a sense of ownership, and which involve challenging, satisfying work.

Health and Safety

All Westmin employees have the right and responsibility to perform their work in a safe and healthy environment.

Recognition

We believe Westmin employees are entitled to recognition for their contributions and value to the team.

Communication

We are determined to continually improve reciprocal communication between and within all levels and areas of the company.

Training

All Westmin employees will be provided with the training which is required to do their jobs.

Development

We will encourage and support the personal, professional and career development of employees.

Dignity

We are determined throughout the Company to treat each other with dignity and respect.

Participation

All Westmin employees will be encouraged to participate in decisions which affect their work.

CUSTOMERS

Westmin will strive to develop and maintain long-term relationships with customers, through continuously improving quality, reliability and service.

We will work to develop business opportunities with customers whose specific strengths complement our own.

COMMUNITIES

Professional

Westmin will continue to support industry advocacy groups and professional associations.

Geographical/Regions

Westmin is committed to provide leadership and support to cultural, educational, athletic, social, charitable and local governmental groups in those communities where it is carrying on its activities. Westmin will function as partner in local initiatives which benefit the overall community and will encourage employees to provide leadership and support to those initiatives.

Government and Interested Groups

Westmin is committed to sharing information on a timely basis with various levels of Government and will continue to seek ways to work effectively with interested groups.

Education

Westmin will participate in academic and skills training programs which benefit our community, industry or Company.

Suppliers

Westmin will promote stable, cooperative relationships with suppliers of goods and services to enable them to better satisfy our requirements.

INVESTORS

Westmin is committed to:

- providing a superior total return to common shareholders over time.
- strengthening the balance sheet to achieve the best possible credit rating and continual improvement to attain above-average earning levels.

EXPLORATION, DEVELOPMENT AND PRODUCTION

Throughout all of its activities Westmin will conduct itself in an exemplary manner. Honesty and respect will characterize Westmin's relationships with its partners.

Westmin will operate in an environmentally responsible manner in accordance with the environmental standards of the Mining Association of Canada.

Exploration

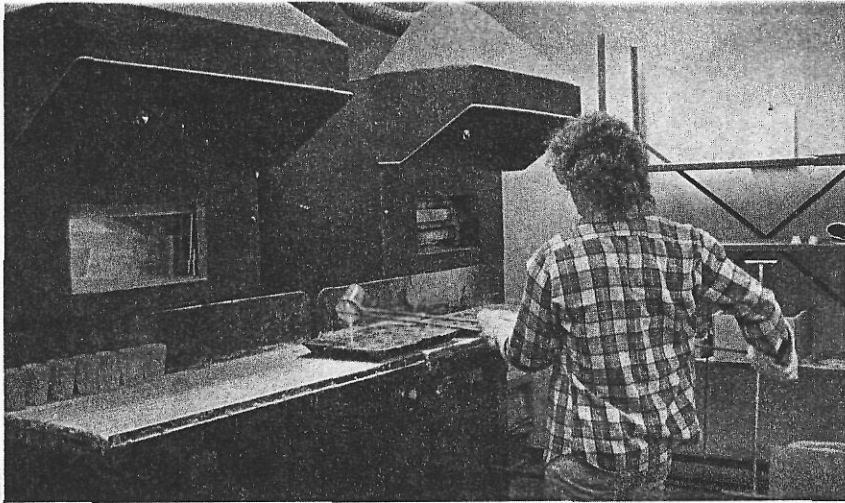
Westmin endorses stable commitment to growth through the effective discovery or acquisition of profitable mining opportunities.

Development

Westmin will use internal resources to guide and direct the development of new mining opportunities.

Production

Westmin is committed to a continual review of its operations to assess the application of new technology and procedures to enhance safety, productivity and cost effectiveness.



Health and Safety

Westmin is aware of the need to maintain an active health and safety program for its employees. In 1989, the Joint Industrial Health and Safety Committee, including both management and union representatives, continued its work to improve safety standards and make recommendations regarding safety concerns at Myra Falls.

The Myra Falls Operations' well-trained Underground Mine Rescue Team took top honours at the 1989 Provincial Mine Rescue Competitions sponsored by the Ministry of Energy, Mines and Petroleum Resources.

Training

A variety of industrial and safety programs were provided for employees at Myra Falls during 1989. These included such programs as regular Stope School programs for miners, mine rescue, and an eight-hour emergency St. John's First Aid Course.

PREMIER GOLD PROJECT

(Westmin, 50.1%)

Premier Gold is located approximately 15 km from Stewart, British Columbia. The open-pit mining operation is comprised of the Premier and Big Missouri properties which include the Premier, Dago, S1, Province and Martha Ellen deposits. Mining operations are scheduled for approximately eight to ten months a year, weather permitting, and the 2,000-tonne-per-day mill operates on a continuous basis throughout most of the year.

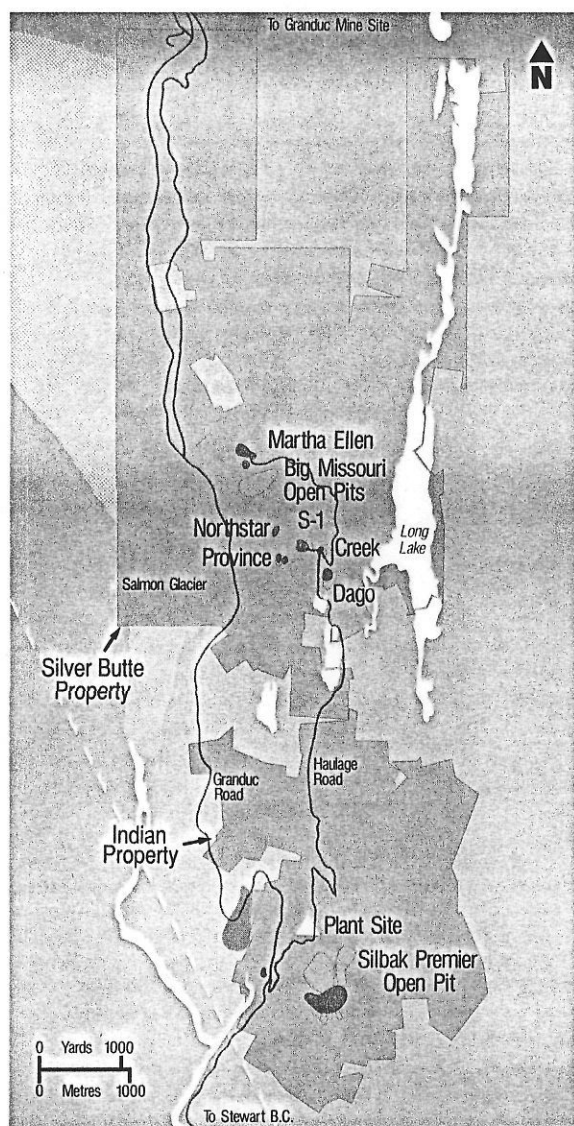
Commercial production was not attained in 1989 and operating losses of \$13.6 million (Westmin, \$6.8 million) were capitalized as deferred start-up costs.

Westmin now has completed an optimization review of this project due to a disappointing start-up year.

Although there were many problems in the first year of operation, safety at the mill was excellent. Premier Gold was the only mine in British Columbia to receive the 1989 Mine Safety Award B Trophy. During the 297,460 man-hours worked in 1989, there were no lost time accidents. This was a special accomplishment because it was the operation's start-up year, which meant a mixing of new people working with different equipment under diverse working conditions.

Mining

From late May when operations began to the end of 1989, a total of 511,180 tonnes of ore and 4,038,269 tonnes of waste rock were mined from the Premier, Dago, and S1 pits. Due to equipment and operational difficulties during the first months of operation, the mining program fell several months



**Premier Gold Project
(Silbak Premier/Big
Missouri)**

- Westmin Claims
- Waste Dump
- Gold Deposits
- Tailings Disposal Area
- Roads



behind schedule. During the third and fourth quarters of 1989, considerable improvements were made and second half targets were exceeded. With the help of a contractor in the third quarter, Westmin was able to complete the year with an adequate stockpile of some 300,000 tonnes of ore. This stockpile is expected to supply the mill until June of 1990. Mining operations concluded as planned, due to weather considerations, on December 18 and are expected to resume in April.

Milling

Mill production started in late May on 170,000 tonnes of low grade development ore stockpiled in the fall of 1988. Mill recovery progressively improved from the May start-up and averaged 90.4 per cent for gold and 61.6 per cent for silver during the last three months of 1989. During the same time period, the mill rate averaged 1,707 tonnes per day or approximately 85 per cent of the mill design capacity of 2,000-tonnes-per-day.

The gross metal production from Premier was 14,787 ounces of gold and 178,972 ounces of silver.

Exploration and Reserves

Exploration on the Premier Gold Project consisted of additional evaluation of the underground reserve potential in the Power zone, and the 4G, 602 and 609 zones in the underground portion of the former Silbak Premier mine. Probable underground geological reserves in these zones are 851,000 tonnes grading 7.50 g/t gold and 34.84 g/t silver. Preliminary mine planning and additional drilling have been undertaken to determine the viability of underground mining. Permitting and environmental studies for the development of these zones is in progress.



Underground diamond drilling continued in early 1990 on the 602 and 4G zones.

A re-evaluation of the geological and mineable reserve bases at Silbak Premier and Big Missouri is in progress to determine the optimal mine plan for open pit mining given existing operating parameters. Development of underground re-

serves is an integral part of intermediate to long-term planning for exploration and mining. During 1989 Westmin acquired a 65.7 percent interest in the Indian property which consolidates much of the favourable mineral lands adjacent to the Premier Gold Joint Venture properties. Diamond drilling of a narrow high grade ore structure on the Indian property gave modest encouragement. Westmin, as part of its focus on the development of underground ore sources, has completed an agreement in principal with Tenajon Resources Corp. for the development of the nearby SB property and processing of ores in the Premier mill.

MINERAL EXPLORATION

Mineral exploration during 1989 centred primarily on gold properties with some promising results at the Debbie, Little Stull and Clearwater projects. Discoveries on properties adjacent to Westmin claims in the Nation Lakes area of British Columbia are also exciting.

Debbie, British Columbia (Westmin 60.1%)

The 2.2 km long Debbie exploration tunnel was completed in late February 1989. Crosscuts from the tunnel cut the Mineral Creek gold zone on both the Debbie and Yellow properties. Raises were driven from both crosscuts to provide further access to the mineralized zone.

The 1989 program concentrated largely on exploration of the three known gold-bearing zones although some underground drilling was conducted along the Debbie Tunnel north of the Mineral Creek Zone.

Surface trenching on the Linda Zone established the strike and dip of the vein system which permitted projection of gold intersections between holes and guided lo-



Westmin Resources Limited
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February 8, 1988

Mr. Tom Schroeter
B. C. Geological Survey
159 - 800 Hornby Street
Vancouver, B.C. V6Z 2C5

Dear Tom:

Re: September 1988 SEG Fieldtrip to Silbak Premier - Big Missouri

Further to your request of January 26, 1987, Westmin Resources Limited is prepared to provide for a geological field trip in late September, 1988 to the Silbak Premier and Big Missouri projects. The mine will be in the construction phase which may cause some accessibility problems which are not foreseeable at this time. We ask that we be kept abreast of the schedule for the planned trip. Your contact at Westmin shall be Alf Randall with regards to getting guide material, etc.

Westmin is pleased to be able to participate in this field trip.

Yours truly,

WESTMIN RESOURCES LIMITED

Harlan Meade
Exploration Manager
Western Region

HDM:sjl

cc: R. Banner
A. E. Soregaroli
A. Randall
S. Blusson, Silbak Premier Mines Ltd.
M. Caron, Canacord Resources Inc.

88-110

LOG NO: FEB 10 1988 VAN 2
ACTION: JCS → AP (FXI)
FILE NO: Big Missouri PREMIER

PRESS RELEASE

Tom Schueta
Oct. 2/86

**WESTMIN RESOURCES GETS ORE GRADE PRECIOUS METAL VALUES
IN LATEST BRITISH SILBAK PREMIER DIAMOND DRILL PROGRAM**

CALGARY (SEPTEMBER 25, 1986) - Westmin Resources has encountered particularly high grade intersections in the first phase of its 1986 diamond drill program on the British Silbak Premier Mines' precious metals property, just north of Stewart in northwestern British Columbia.

The drilling program was designed to test and confirm areas within the proposed open pit and all but two of the 38 holes, totalling 16,200 feet of drilling, penetrated ore grade sections of mineralization.

The fill-in drilling, in the Glory Hole area, tested both areas of caved stope from earlier mining activity, plus other untested areas within the proposed open pit boundary.

Some of the higher grade intersections (uncut) are as follows:

<u>Hole No.</u>	<u>Interval</u>	<u>Feet</u>	<u>Au oz/ton</u>	<u>Ag oz/ton</u>
86-78	308-332	24.0	0.441	48.50
86-83	142-166.5	24.5	0.199	9.24
86-87	168-197	29.0	0.113	7.08
86-94	177-209	32.0	0.383	32.65
86-95	77-97	20.0	0.316	16.58
	139-157	18.0	0.330	32.89
86-96	162-165.5	3.5	2.065	63.96
86-97	363-367	4.0	0.206	10.08
86-102	349-360	11.0	0.335	3.67
86-103	217-221	4.0	0.518	3.30
86-107	161-181	20.0	0.259	9.90

Several of these high grade intersections occur in areas previously thought to be of lower grade ore, and holes 95 and 96 are in an area thought devoid of mineralization. The net result of this drilling will be expanded reserves as well as the definition of higher grade areas accessible for early mining when production begins.

Within the Glory Hole area many of the previous stopes are filled with material which has caved from the surrounding rocks. Drilling these filled stopes in 1983, 1984 and 1985 indicated that much of the fill is moderate to good grade ore. Additional testing of filled stopes in 1986 continues to return favourable results with hole 86-102 returning 162 feet of recovered core (over a drill length of 279 feet) grading 0.237 oz Au/ton and 1.26 oz Ag/ton. The footwall of the stope assays 0.335 oz Au/ton and 3.67 oz Ag/ton over 11 feet. Several exceptionally high-grade assays have been obtained from caved stope-fill material. Additional efforts to test this material are in progress.

Sampling of surface dumps during 1985 suggested significant gold and silver values within the dumps from the B.C. Silver and 2 Level portal areas. In 1986 preliminary evaluation of the dump near the 4 Level portal has indicated more than 500,000 tons of ore grade material. Initial results of 63 systematic samples indicates a grade of 0.10 oz Au/ton and 1.26 oz Ag/ton. Total dump material on the property may exceed 1 million tons.

The second phase of the 1986 program is currently underway, entailing 5,000 feet of surface drilling and 13,000 feet of underground drilling on the Silbak property, plus a minimum of 6,000 feet of surface drilling on the Big Missouri property some four miles to the north.

Rehabilitation and preparation of underground diamond drill sites on 2 Level, to test the lower part of the proposed open pit mining area under the Glory Hole, is nearing completion. Concurrently, metallurgical, environmental and geotechnical studies are in progress, with a re-estimate of ore reserves scheduled for January, 1987, to be followed by a feasibility study decision.

Westmin will earn a minimum 50 per cent working interest in the Silbak Premier property by making exploration expenditures of \$4,700,000 before December 31, 1987. British Silbak Premier Mines may elect to participate in a joint venture as to 50 per cent or assume a carried position with a 20% net profits royalty interest. Westmin currently has a 12 per cent working interest, has purchased a 6 per cent net profits carried interest and will acquire an additional 4 per cent net profits carried interest through the payment to British Silbak of \$300,000 on January 1, 1987 and 1988. Westmin spent approximately \$3,510,000 on the project to the end of the 1986 Phase I program.

Westmin also has a 70 per cent interest in the Big Missouri property under option from Tournigan Mining Explorations Ltd.

Westmin Resources Limited has entered into an agreement with Canacord Resources Inc. whereby Canacord may earn a 13.33% interest in the interest of Westmin in the Silbak Premier and Big Missouri projects by providing \$2,000,000 for the 1986 exploration program. Canacord may elect to increase its funding to \$3,000,000 before February 28, 1987 and thereby increase its interest to 18.75 per cent of Westmin's interest.

For further information contact:

A. E. Soregaroli or

H. D. Meade

B. K. McKnight

Westmin Resources Limited

#904, 1055 Dunsmuir Street

Vancouver, B.C. V7X 1C4

(604) 681-2253

WESTMIN RESOURCES FORMS MINERAL EXPLORATION SUBSIDIARY

CALGARY (FEBRUARY 26, 1985) -- WESTMIN RESOURCES HAS FORMED A NEW SUBSIDIARY, WESTMIN EXPLORATION LIMITED, TO ACQUIRE THE PARENT COMPANY'S INTERESTS IN 48 METALLIC MINERAL PROPERTIES AND AN EXPLORATION DATA BANK ACCUMULATED OVER THE PAST 35 YEARS.

THE DEAL EXCLUDES WESTMIN'S 3,000 TONS PER DAY H-W MINE/MILL COMPLEX AND PROPERTIES AT MYRA FALLS, VANCOUVER ISLAND.

THE PROPERTIES TO BE ACQUIRED INCLUDE A WIDE VARIETY OF MINERALS WITH A MAJOR EMPHASIS ON GOLD AND SILVER. WESTMIN EXPLORATION'S MAJOR PROJECTS ARE THE SILBAK PREMIER/BIG MISSOURI GOLD-SILVER PROJECT NEAR STEWART, BRITISH COLUMBIA AND THE BLUE MOON BASE/PRECIOUS METALS PROJECT 100 MILES EAST OF SAN FRANCISCO. WHILE BIG MISSOURI AND BRITISH SILBAK ARE FORMER PRODUCERS, NO PRESENTLY PRODUCING MINES ARE INVOLVED IN THE ACQUISITION.

THE ASSETS WILL BE ACQUIRED FOR A PURCHASE PRICE OF 34.5 MILLION DOLLARS, PAYABLE BY THE ISSUE OF 5.75 MILLION WESTMIN EXPLORATION COMMON SHARES AT A PRICE OF 6.00 DOLLARS PER SHARE. THE ACQUISITION PRICE IS THE APPRAISED VALUE ASSIGNED TO THE PROPERTIES BY KILBORN ENGINEERING, DAVID S. ROBERTSON AND ASSOCIATES AND WRIGHT ENGINEERS.

WESTMIN EXPLORATION IS FILING A PRELIMINARY PROSPECTUS IN ALL PROVINCES, COVERING THE OFFERING TO THE PUBLIC OF COMMON SHARES AT 6.00 DOLLARS PER SHARE AND FLOW-THROUGH COMMON SHARES. THE OFFERING WILL BE HANDLED BY A GROUP OF INVESTMENT DEALERS HEADED BY PEMBERTON HOUSTON WILLOUGHBY INC. AND DOMINION SECURITIES PITFIELD LIMITED.

FOR FURTHER INFORMATION CONTACT:
RICHARD H. OSTROSSER
EXECUTIVE VICE-PRESIDENT AND
PRESIDENT, WESTMIN MINING DIVISION
1800, 255 - 5 AVENUE S.W.
CALGARY, ALBERTA T2P 3G6
(403) 298-2091

WESTMINRES CG

Exploration

Mineral exploration expenditures in 1983 totalled \$3.4 million, a decline from the previous year's expenditure of \$4.3 million. The 1983 programs directed 65% of exploration expenditure to on-going, relatively advanced projects while curtailing uranium exploration and high risk, earlier stage activities.

California Massive Sulphide Deposit

Early in March, 1984, Westmin concluded an agreement with Colony Pacific Explorations whereby the Company can earn a minimum 50% interest in the Blue Moon-American Eagle property in Mariposa County, California.

Over the past three years, Colony Pacific has defined 2.7 million tons averaging 0.045 oz. gold per ton, 1.71 oz. silver, 0.88% copper and 7.15% zinc, with the deposit open to depth and to the south. Another 10,000 feet of diamond drilling is in progress and Westmin is committed to spend \$300,000 on the property by September 30, 1984, another \$700,000 by March 31, 1985 and \$5 million by 1988. The deposit has similarities to those currently being mined at Westmin's Myra Falls complex.

Marketing

Modest increases in metal prices were evident in 1983 as a result of improving economic conditions worldwide. The company continued to sell its full production of concentrates in North America and Japan.

Payable Metals

(000's)	1983	1982
Gold —		
ounces	17	20
Silver —		
ounces	781	959
Copper —		
pounds	4,814	5,344
Lead —		
pounds	4,195	4,801
Zinc —		
pounds	28,317	33,489
Cadmium —		
pounds	30	35

Minesite

Development diamond drilling was the major exploration activity at the H-W ore body. In the Lynx mine, exploration and mine geologists concentrated on evaluation and development of the faulted-off portion of the new G Zone west of the Lynx-Phillips fault. Diamond drilling at 200 and 300 foot spacing indicated some 360,000 tons of approximately mine average grade ore. Detailed drilling on 50-foot centres had commenced by year end and will continue during 1984 in order to prepare production programs for this area.

Silbak Premier, British Columbia

Westmin has signed an agreement with British Silbak Premier Mines Limited which will permit Westmin, through a series of work commitments and cash payments, to earn 50% to 80% interest in the property.

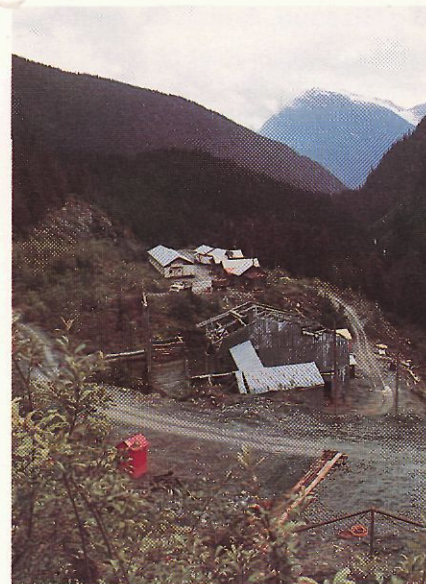
Exploration began in 1983 with very encouraging results. Diamond drilling was focused on evaluation of near surface mineralization in the upper part of the old Silbak Premier Mine, which is located some five miles south of the Big Missouri property.

Evaluation of other parts of the mine and immediate mine area indicate numerous other near surface and underground targets for future exploration.

Of particular interest are the following holes:

Hole No.	From	To	Length (ft)	Gold oz/T	Silver oz/T	Gold Equiv.* oz/T
83-01	132.5	244.4	111.9	.024	4.00	0.119
83-04	229.0	312.7	83.7	.068	3.18	0.144
83-05	191.9	220.1	28.2	.057	7.23	.229
	331.0	358.6	27.6	.046	5.09	.167
83-08	477.4	527.5	50.1	.008	4.58	0.117
83-12	441.9	472.1	30.2	.094	1.56	0.131
83-19	157.5	319.9	162.4	.049	4.26	0.150
83-21	110.9	157.2	46.3	.030	5.59	0.163
83-22	188.6	238.5	49.9	.051	1.40	0.084

*Based on 42 ounces silver/ton equivalent to 1 ounce of gold/ton



View of Hope campsite serving exploration programs at Big Missouri and British Silbak.

Great Slave Reef, Northwest Territories

Encouraging results were obtained in the on-going effort to find continuations of the high-grade lead/zinc occurrences being mined by Pine Point Mines. Exploration by Westmin (40%), and its joint venture partners, Du Pont of Canada Exploration Limited (50%) and Philipp Brothers (Canada) Limited (10%) was highly successful in 1983, with every indication of potential for additional deposits along the Main Hinge trend.

Diamond drilling better defined the high grade portions of the R190 and X25 deposits and a single hole drilled at the Z155 deposit suggests a potential to increase tonnage and grade. The 1984 program will focus on mine evaluation with particular emphasis on hydrological factors.

Big Missouri, British Columbia

Four potential open-pit zones containing gold, silver and minor lead and zinc mineralization have been defined on the Big Missouri property, 11 miles north of Stewart in North-western British Columbia. Current drill indicated geological reserves are estimated at 2,167,000 tons grading 0.098 oz/ton gold equivalent.

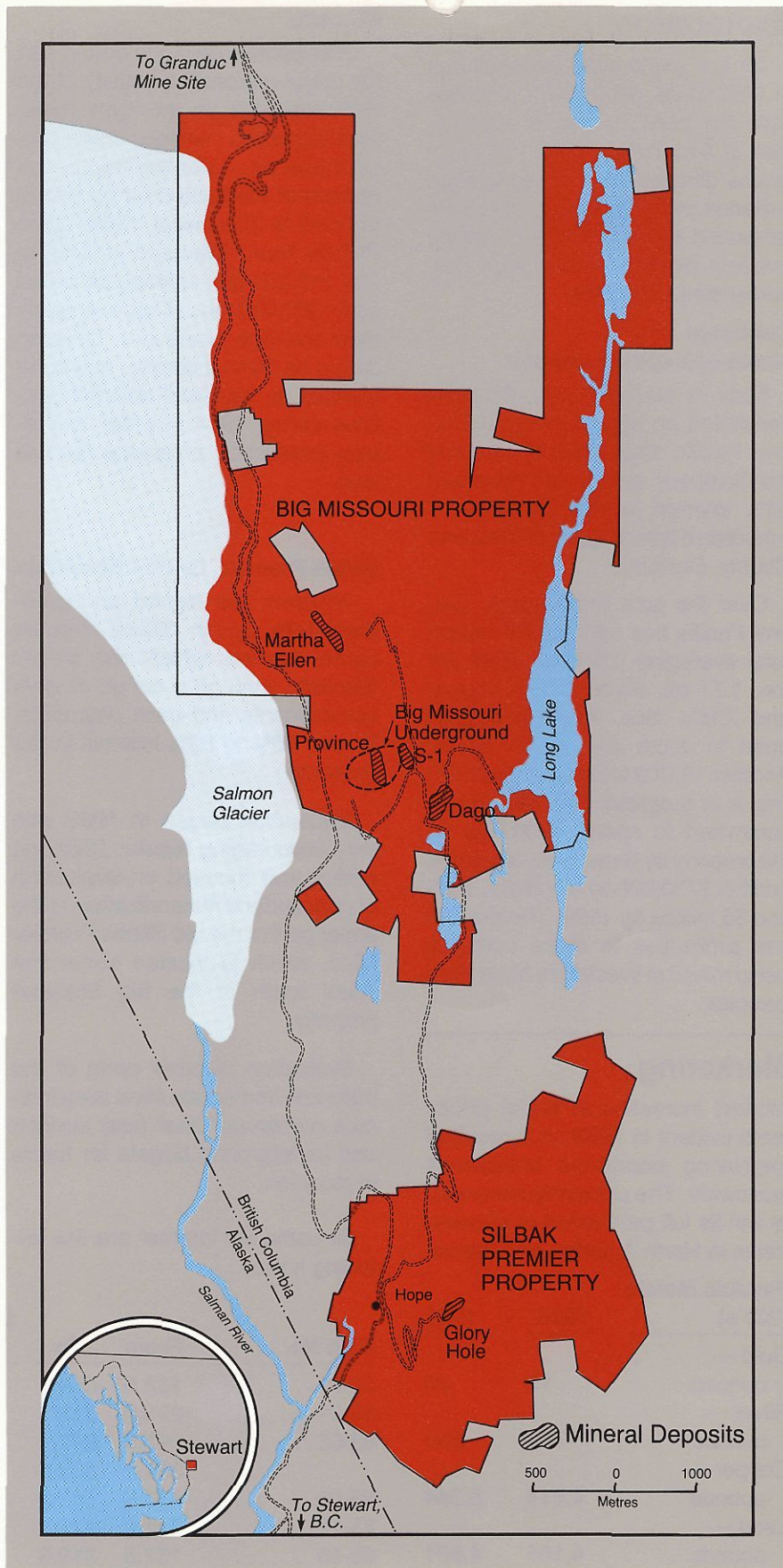
	Geological Reserves Tons	GRADE Gold Equivalent oz/ton
Dago	740,000	0.103
S-1	200,000	0.093
Province		
East-West	340,000	0.073
Martha		
Ellen	887,000	0.105
TOTAL ...	2,167,000	0.098

A modest drilling program at the Martha Ellen zone resulted in expansion of reserves. Additional drilling is planned in 1984 to further define these and other mineral zones.

Westmin has spent approximately \$2.4 million during five seasons of exploration on the Big Missouri property. Mine evaluation studies are currently underway and will form the basis of a feasibility study to be delivered to Tournigan Mining Explorations Ltd. by June 1, 1985, in partial fulfillment of an option agreement wherein Westmin may earn a minimum 70% interest in the property.

Detour, Ontario

Westmin continued an aggressive program of overburden drilling and geophysical surveys on a number of its claim blocks in the area of the Detour Lake gold mine, recently placed into production by Campbell Red Lake Mines and Amoco Canada Petroleum Co. The Detour area remains one of high interest for the Company and will be the target of intensive exploration activity in 1984.



Coal

Coal revenues for the year totalled \$4,575,000 and are expected to exceed \$5,000,000 in 1984. Coal royalties, which will continue into the next century, will increase at a rate greater than inflation under the terms of the various lease agreements.

The presently leased lands in the Highvale Mine area near Lake

Wabamun, are but a small portion of the Company's coal rights, which include in addition to Crown coal lands some 507,000 acres of mineral title lands in central Alberta. Westmin continues to maintain its 12½% interest in the Sukunka Coal Project in northeastern B.C.

The depressed state of world coal markets has significantly reduced current coal exploration and development. Westmin's activity will be

restricted to modest exploration on the Company's Crown holdings in Alberta and a detailed appraisal of some near-surface coal lands in north-central Alberta for use as possible feed-stock for steam in the Company's 'huff and puff' low gravity oil areas. Westmin will, in addition, selectively evaluate high quality coal prospects in British Columbia and the western United States.

Industrial Minerals

Royalty revenue from the Company's sodium sulphate leases was approximately \$290,000. During the latter part of 1983, Alberta Sulphate completed the construction of an acid treatment plant to improve the yield of sodium sulphate from brine waters. Westmin felt that this plant was essential to the well-being of the operation and as such, has agreed to pay for approximately one-half of the construction cost of \$143,000, which will be paid back from royalty payments over the next three years. The new plant is expected to increase the life of the operation to at least 15 years and generate additional revenues of approximately \$7,000,000.

Further work, consisting of addi-

tional detailed sampling and topographic mapping, was completed at the Company's Mount Palsson Limestone Project in northeastern British Columbia. The detailed sampling program has indicated that the Company has found a very high grade limestone deposit suitable for industrial and agricultural uses. Further work will continue on the project, with possible production starting during the summer of 1984.

In addition, Westmin has been investigating a limestone property near the town of Nordegg, Alberta. Prospects for securing contracts for stone from this quarry are very promising. The Company plans to re-active the quarry, on a limited basis, during the early part of 1984.

Lacana Mining Corporation

Westmin Resources remains the largest single shareholder in Lacana Mining Corporation, an expanding, medium-sized, Canadian-based resource company whose shares are listed on the Toronto Stock Exchange.

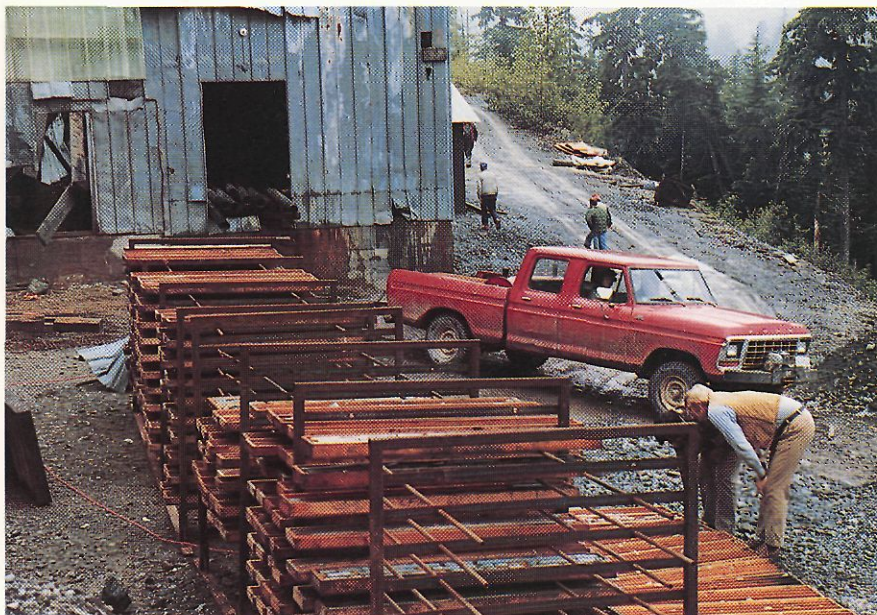
During 1983, Westmin acquired an additional 400,000 Lacana shares to increase the percentage ownership to 28% from 25%.

Lacana is a significant North American producer of precious metals and its oil and gas revenues are on a steady uptrend. The Company is active in exploration for gold, silver and hydrocarbons.

Lacana has a substantial minority interest in two Mexican precious metal producing complexes; 26.25% interest in the Pinson Gold Mine in Nevada and through its wholly-owned oil and gas subsidiary, produces approximately 500 barrels of oil per day and 3,000 Mcf of gas per day.

During 1983 net cash dividends received from the Mexican operations totalled \$7,482,000 compared to \$2,306,000 the previous year. Lacana's share of production from these mines totalled 5,846,000 ounces of silver, 39,000 ounces of gold and 24,000,000 lbs. of lead.

The milling rate at the Pinson Gold Mine remained at about 1,400 tons per day at an average grade of 0.106 ounces per ton. A heap leach



Examining core brought back from Big Missouri and British Silbak diamond drill programs.

process was installed in 1983 to accommodate lower grade material and 7,912 ounces were recovered in the year. Lacana's share of gold sold in the year was 14,820 ounces compared to 17,335 in 1982 when higher than mine average grades were milled. Cash dividends totalled \$3,108,000 in 1983 as compared to \$2,300,000 the year prior.

Lacana's current exploration emphasis is in the U.S. Production from the Dee Gold (formerly Boulder Creek) open pit mine in Nevada should commence before year end at an annual rate of 35-40,000 ounces per year with Lacana's share at 29.3%. An early production decision is anticipated to develop Lacana's wholly-owned Relief Canyon heap leach gold operation, also in Nevada. Annual production from this property is estimated to be 30,000 ounces per year and production could commence in late 1984.

Lacana is active in mineral exploration in Mexico, Canada and the U.S. In Canada, Dome Mines has commenced a major \$5.5 million underground exploration and development program on Lacana's Musselwhite property north of Pickle Lake, Ontario where mineral inventory is estimated at 3.2 million tons grading 0.169 oz. gold per ton. Lacana retains a 17% interest in this project. The joint venture exploration program, managed by Lacana, has entered into its fifth year with a budget of \$1,100,000 to be spent in 1984.

Approximately \$5.7 million has been spent on oil and gas exploration in 1983 and the Company has been very successful in proving up substantial reserves in Canada. A major drilling program in the U.S., undertaken in 1982, is still in progress.

Although audited figures are not yet available, earnings are estimated to be substantially higher in 1983. Oil and gas revenues show a dramatic increase in the year, reflecting the major acquisition in 1982 of Canadian producing properties and new production coming on stream during 1983. Lacana's share in net earnings of the Mexican operations

also show a substantial increase in the year however, this improvement is offset by a substantial increase in withholding tax.

Lacana continues to report a strong working capital position of about \$26 million as of December 31, 1983 compared to \$9 million a year earlier.

