



886900

Tom Schwab

Presentation Notes

TSE Trading Symbol: "ABP"

The "New" Red Chris Project

November 19, 1997

American Bullion Minerals Ltd.



g

gravity [noun]

The force imparted by the earth which tends to draw all bodies toward the center of the earth.

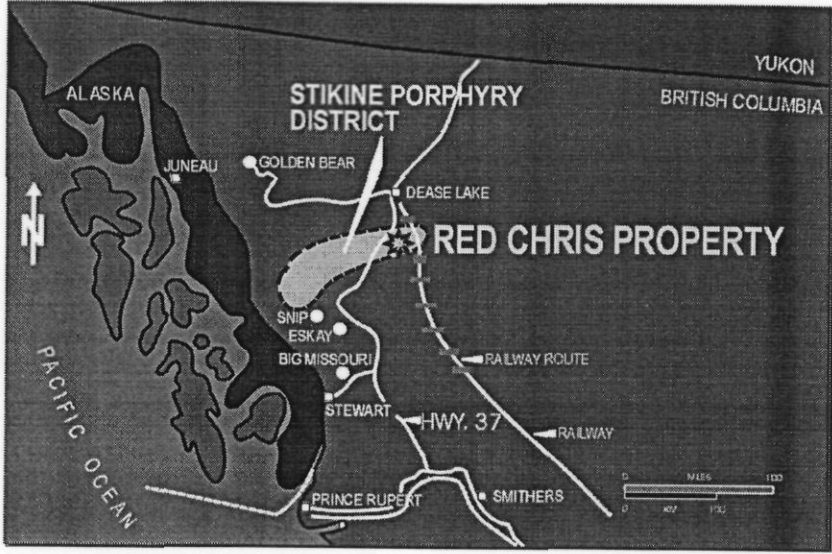
Newton's Law



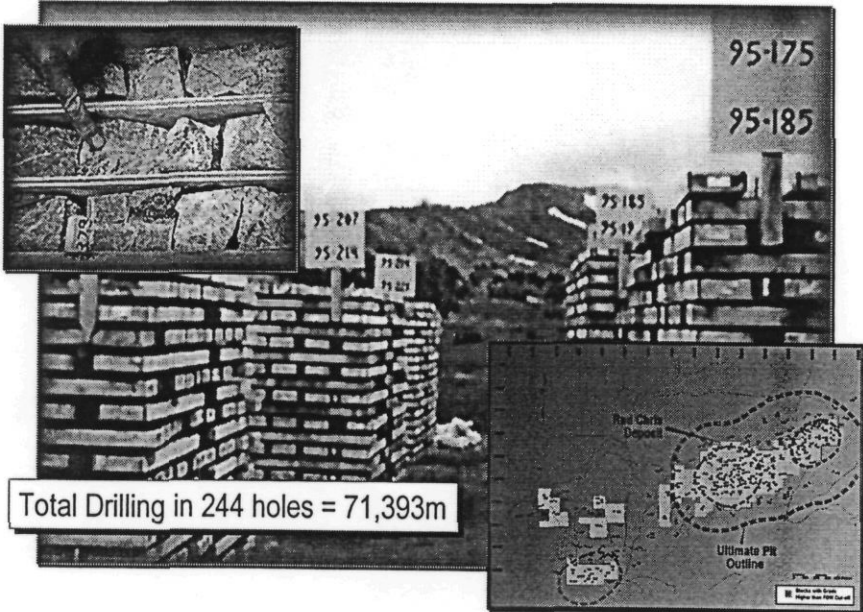
Company Information

- Toronto Stock Exchange symbol "ABP"
- \$1.2 Million Cash, as at September 30, 1997
- New Management
- Principal Asset - Red Chris Project (80%)

Project Location



Drill Proven Resource



The "Old" Project

Fluor Daniel Wright Prefeasibility (May, 1996)

- Defined a conventional 'world-class' tonnage project
 - 551 mm tonnes, 0.312 % Cu and 0.263 g/t Au
 - 90,000 tpd output
 - Pre-production capital costs = \$550 m
 - Assumed US\$1.00/lb Cu and US\$400/oz Au
 - After tax IRR of 10%

Perception is everything - 'Low Grade, Marginal and Expensive'

The "New" Red Chris Project

Barker and Assoc. Scoping Study (Nov, 1997)

- Opportunity to re-cast the project (Press Release Nov.19)
 - 210 mm tonnes, 0.46 % Cu and 0.38 g/t Au
 - 30,000 tpd output, 20 year mine life
 - Limit pre-production capital costs to ~ \$200 m
 - Reduce operating costs by >40% with new mining plan
 - Improve scheduling and waste management

ABP Prefeasibility Level Study (underway)

- Dedicated and multi-disciplined Project Team
- Senior Review Board (Press Release Nov. 14)

The "New" Red Chris Project

*The New Plan recognizes and addresses the 'Forces' (e.g. **g**) that work for and against the Red Chris Project today.*



Gravity - 'Real and Implied'



Market Forces



Mine Finance Forces



Economic Forces



Gravity

Market Forces



Building Market Confidence

- Red Chris is a large drill-proven resource
- Experienced Management
- Authoritative Senior Review Board

Senior Review Board

Mr. Norman Anderson, P.Eng. – *over 44 years of experience*

Ex-Chairman and CEO of Cominco, has also held executive positions with International Corona Corporation, Fording Coal, and Amax Inc.

Mr. Donald Barker, P.Eng. – *over 28 years of experience*

Former Superintendent of Mine Engineering for Petro Canada Coal Division, and Fording Coal, also held positions at Granisle Copper and Similkameen Mining.

Mr. C.O. Brawner, P.Eng. – *over 44 years of experience*

Specialist Geotechnical Engineer, has acted as senior reviewer on over 38 surface mine stability projects and over 16 underground mine stability projects, has held a variety of senior review consulting assignments including Chairman of Syncrude's Geotechnical Review Board.

Mr. Roger Taylor, P.Eng. - *over 42 years of experience*

Ex-President, Copper Division of Cominco Ltd., involved in acquisition of Bethlehem Copper and in negotiations with Lomex leading to the creation of Highland Valley Copper, ex-President and CEO of Zapata Granby and Mine Manager of the Granisle Copper Mine.

Mine Finance Forces



Attract Mine Financing to Project

- Higher grade mine
- Very profitable
- Significantly reduce capital costs
- More likely to proceed

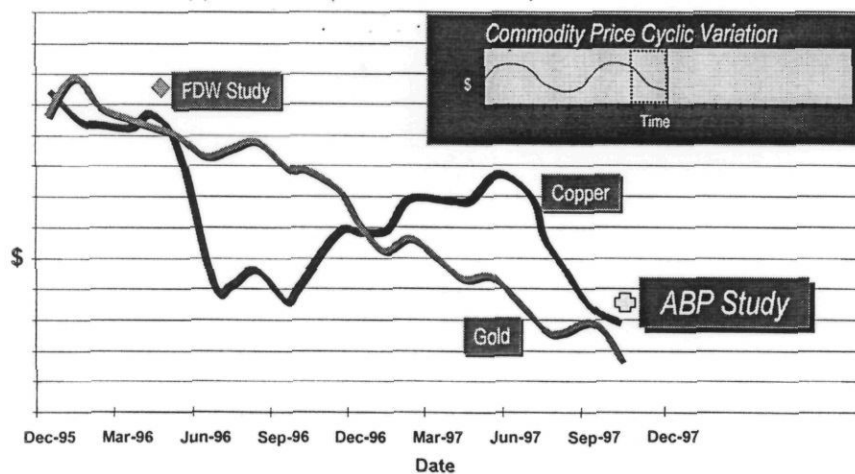
Economic Forces

\$/lb Address Lower Commodity Prices

- Mine higher grade ore - profitability
- Big upside in remaining proven resource
- Majority of 'waste' rock is low grade ore

Commodity Prices

Gold and Copper Prices (Jan '96 to Oct '97)



Gravity

g Utilize Natural Forces

- Site topography provides opportunity to use gravity to reduce mining costs
- Other benefits flow from new mining plan
 - plant location
 - stockpiles
 - waste management

Innovative & Practical Thinking

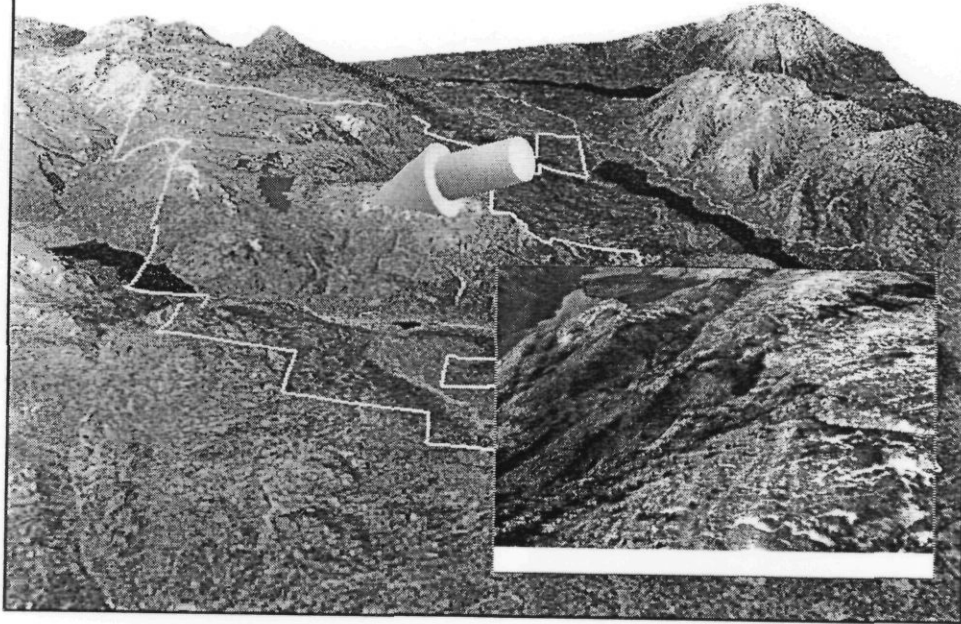
g

gravity mining

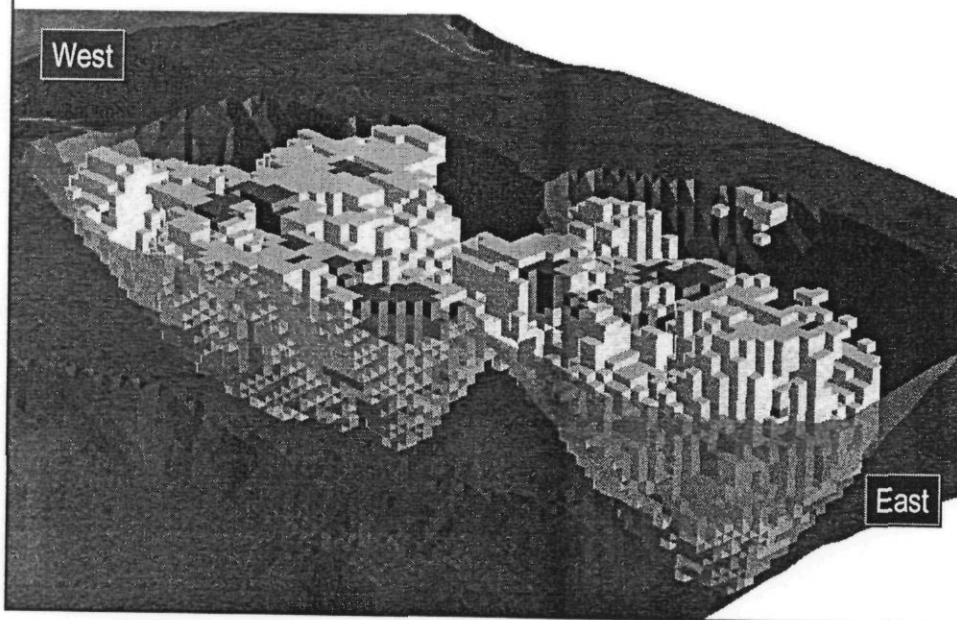
A simple, cost-effective and 'natural' approach to mining that uses gravity to assist mining.



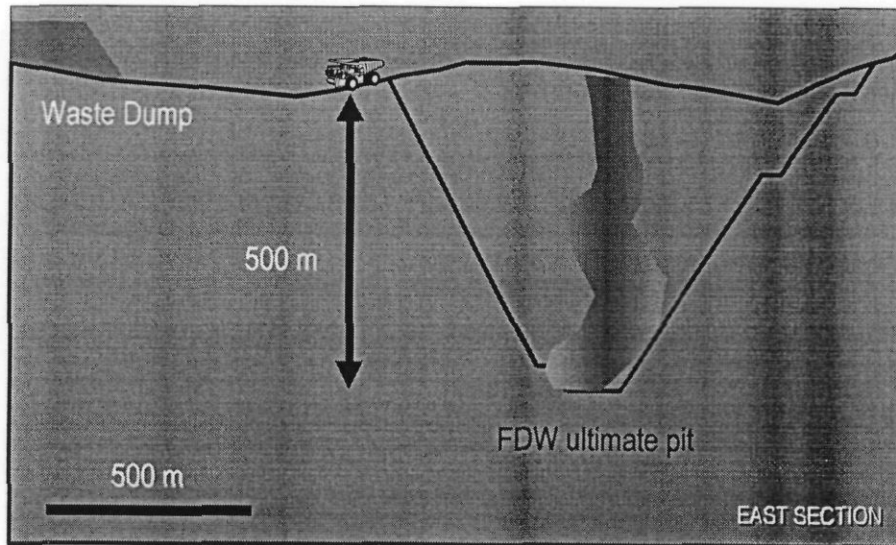
Unique Topographic Advantage



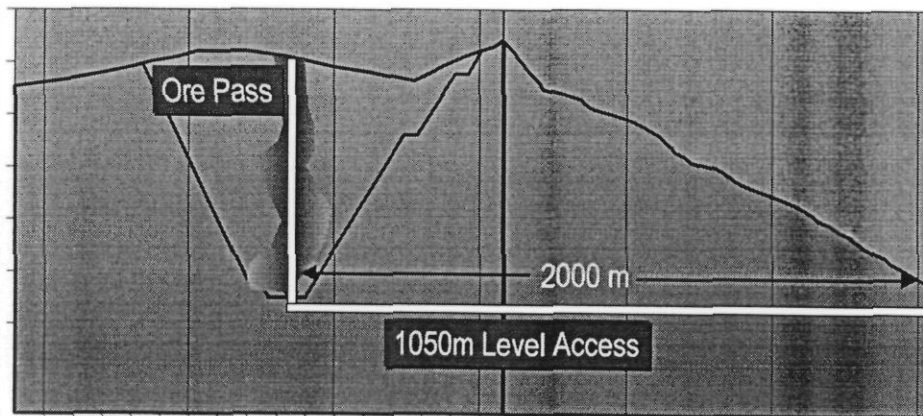
Block Model - 3D View



'Old' Plan



Gravity Mining



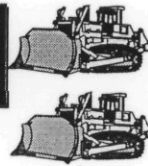
Estimated 40% reduction in mine operating costs

Gravity Mining - Cost Effective

Conventional Mining

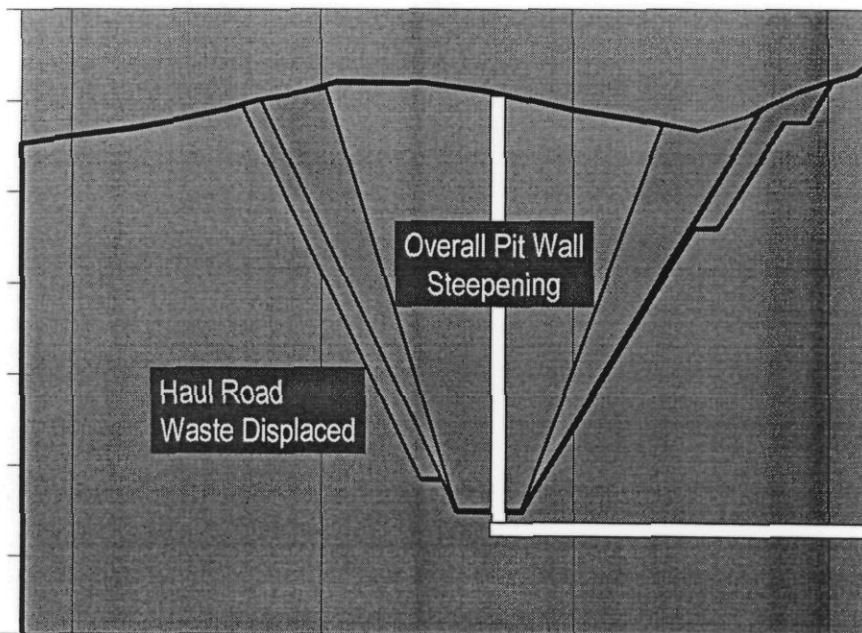


Gravity Mining



Estimated 40% reduction in mine operating costs

Reduction in Waste Rock



The Bottom Line

Summary of New Project



Achievable and Profitable Plan



Reduced Capital Cost



Proven/Probable Reserve

210 mt @ 0.46% Cu, 0.38g/t Au

Another 350 mt - Upside



Mine Operating Costs

Approximately 1/2 'conventional' costs

Estimated Cash Costs

Based on US\$0.90 Cu and US\$325 Au

Cost per lb. Copper
US \$ 0.45

Cost per oz Gold
US \$ 145

Valuations

Contained Metal for Valuation Calculation

210 mt @ 0.46% Cu, 0.38 g/t Au

	Tonnage	Applied Discount (US\$)	Value (US\$)
Copper	> 2 billion lbs..	\$ 0.02	> \$ 40 million
Gold	> 2.5 million oz.	\$10	> \$ 25 million

Total Assumed Value > US\$ 65 million

Share Value Calculation

Total Assumed Value

US\$ 65 million =

CDN\$ 91 million*

Number of Shares

Issued and Outstanding

12.2 million

Market Capitalization

As at November 18, 1997

CDN\$12 million

* Note: Teck Corporation has 10% Participating Interest
10% Carried Interest

American Bullion Minerals Ltd.

Suite 975, 625 Howe Street
Vancouver, BC V6C 2T6
Telephone: (604) 622-4400
Facsimile: (604) 622-4444
Toll-Free: (800) 403-2940

Website: www.abpminerals.com
E-Mail: info@abpminerals.com

Chuck Wills
President
(604) 622-4406
cwills@abpminerals.com

Scott Broughton, P.Eng.
Vice-President, Mining
(604) 622-4409
sbroughton@abpminerals.com

Richard Whittall
Vice-President, Investments
(604) 622-4407
rwhittall@abpminerals.com

Bill Espley
Director, Corporate Communications
(604) 622-4407
bespley@abpminerals.com

Ex.

1) Grasberg - 1 - 600 m long ore pass

2) Iron Ore of Canada

120Kt/day thru 1 ore pass & via rail

Spring '98 - release pre-feasibility study.

AMERICAN BULLION MINERALS LTD.

RED CHRIS PROJECT

SCOPING STUDY

D.J. Barker and Associates Inc.
MINING AND GEOLOGICAL SERVICES

502 - 455 Granville Street
Vancouver, B.C. Canada V6C 1V2
Bus.: (604) 684-1704
Fax.: (604) 662-8995

RED CHRIS PROJECT

SCOPING STUDY

For:

American Bullion Minerals Ltd.
Suite 975, 625 Howe Street
Vancouver, B.C.
Canada V6C 2T6

November, 1997

D.J. Barker and Associates Inc.

MINING AND GEOLOGICAL SERVICES

502 - 455 Granville Street
Vancouver, B.C. Canada V6C 1V2
Bus.: (604) 684-1704
Fax.: (604) 662-8995

RED CHRIS PROJECT SCOPING STUDY

INTRODUCTION

This document outlines a new directional plan and strategy for the Red Chris Project. This new plan and strategy is based on a review of the geological database, a review of the mine plan as outlined in the Fluor Daniel Wright (FDW) Prefeasibility, and some new technical input into the project.

This work has been done over the past few months and has, to a large extent, been conceptual in nature. However, the new direction is superior technically, economically and environmentally.

The objectives of this report are as follows:

- i. Finalize on a scoping study for American Bullion Minerals Ltd.;
- ii. Establish a new and improved mining scenario along with identifying the benefits and problems with the new mining direction; and,
- iii. Draw conclusions and make recommendations for future work.

Many individuals have contributed to the thought process in this document, including Mr. Norm Anderson, P.Eng. and Mr. Roger Taylor, P.Eng. Mr. Scott Broughton, P.Eng. has made a significant contribution in terms of the plant site location, underground access network and geotechnical considerations.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

1. The Red Chris ore zone is made up of a high-grade core, which can be extracted selectively through a modified dozer push mining plan. The dozer push plan will allow grades to be mined at approximately 35% better grade than the average resource grade. This is accomplished by mining at reduced ore capacities (i.e. 30,000 tpd vs. 90,000 tpd) and by improved mining geometrics around the ore zone.
2. A dozer push open pit mining style that allows ore and waste to be drawn through ore passes and transported to a lower elevation mill site and dump site will reduce unit mining costs by about 40%.
3. The dozer push mine plan will allow pit walls to be steepened by reducing water pressures on the walls, by the elimination of wide haulage ramps and by the dozer mining style which eliminates shovels and trucks.
4. The new mine plan will show significant reductions in development cost, capital cost of mining equipment, and result in improved simplicity to the operation.
5. The new mine plan capitalizes on a high-grade portion of the ore zone to produce 210×10^6 tonnes of ore over 20 years, at a rate of 30,000 tonnes/day. This scenario is developed as a first pass. This new plan has the best chance to reduce capital and operating costs and also capitalize on the best grades of the ore zone. The plan should not be treated as a stand-alone plan. It should be treated as the best plan to reduce the debt and provide the cash flow to expand the mine in a systematic manner, such that higher milling capacities can be realized at a later date. At present the 210×10^6 tonnes of high-grade represents 40% of the defined resource.

It is important to ensure that the overall resource is accounted for in short-term design and that development undertaken for the mine plan can be readily utilized for an expanded plan.

6. In more detailed engineering work, the entire resource should be considered in determining the plant site layout, waste dump layout and the tailings area.

7. The new mining direction is a plan that conforms to the basic principles of adapting the movement of materials to the laws of gravity. The proposed scheme is somewhat innovative with respect to present day mining practices. However, each component is part of proven mining practices and the associated difficulties are simply problems to be overcome. Some of these problems relate to dozer push distances, ore pass diameter, ore pass production capacity, crushing requirements and on level transportation styles. These problems are important and will require additional specialized expertise to address.

BACKGROUND AND HISTORY

The Red Chris Project has been well described in the various geological documents and within the Prefeasibility Study Report by FDW. A summary is as follows.

The copper-gold resource is defined by a 0.2% copper cutoff to contain about 500×10^6 tonnes at 0.32% copper and 0.254 g/tonne gold. This resource is defined by 244 drill holes and is capable of being mined by traditional open pit techniques at a stripping ratio at 1.39:1. The copper gold resource is prismatic in nature and, both copper and gold grades increase in depth. There appears to be a strong relationship between the gold and copper grades and, consequently, a high degree of confidence can be given to the resource.

A prefeasibility report was completed by FDW in April 1996. This study represents the initial engineering analysis of the project. The plan was for traditional truck-shovel open pit mining style in which production mill capacities were planned at 90,000 tonnes/day, such that a seventeen-year mine life was realized to give the best unit costs and best capital costs/tonne of reserves. The prefeasibility gave a 10% IRR (after tax) at gold prices of \$400.00/oz and copper prices at \$1.00/lb.

Early indications were that the data collection from drilling and reserve calculations was of high quality. Independent reserve calculations by FDW and Montgomery Consultants proved to be reasonable. The conclusion is that the resource definition and geometrics are good.

A review of the FDW study indicated that the study was a traditional approach, with little or no optimization as far as the style of mining. Trial runs of various tonnage capacities indicated that the best rate of return would be realized at the highest capacities. This led to the conclusion that the best case was for a 90,000 tpd mill indicating a 10% ROR on a capital cost of $\$550 \times 10^6$. Although the IRR was marginal, the greater concern was for the high risk associated with the capital cost.

It was clear that the pre-feasibility could be improved. A large contributor to the capital cost was the powerline ($\$100 \times 10^6$). This could be reduced by reducing the plant capacity. However, it was also decided to reduce the plant capacity such that the capital investment for the project could be seen as reasonable. It was also clear that the FDW study had not been optimized in terms of infrastructure locations, dump locations, ramping locations, access and general planning and capital costs. It was decided to review the FDW study with the view to change ramping locations, primary crusher location and dump locations. The intent was to minimize the capital and operating costs for a 30,000 tonnes/day operation. At this time, commodity prices dropped by about 15%.

It became clear that a topographic advantage was available from the south side of the pit area which would allow a level adit access from the 1050 elevation, in the vicinity of the northern part of Kluea Lake to the bottom of the defined pit. Given that the grade of the ore zone increases in depth it was decided to determine if a significant tonnage of economical underground ore existed, such that an underground operation could be run in conjunction with an open pit and better grades could be realized in the early years of the project. This was tested, and it was determined that about 20×10^6 tonnes grading 0.7% Cu and 0.65g/tonne Au existed in the vicinity of the pit bottom. Although it was determined that this material might have marginal economics, the real advantage was emerging as to how to open pit mine the ore zone by dropping the ore down an ore pass and tramming it to a plant site in the vicinity at the lake elevation (i.e. 1041 elevation).

It was decided to pursue this strategy because preliminary evaluation of costs indicated that operating costs would be significantly reduced. The pursuit of this strategy indicated many advantages on the development side of the economic equation as well as on the capital and operating cost side. The developed strategy is economically more sound, as well as developing a better environmental plan and stability of materials plan. In its basic simple form the new plan conforms to the basic principles of gravity, as opposed to a plan that resisted gravity for all material movement.

The following outlines this strategy:

Geology

The most important aspect of this ore zone is the basic geometrics of the zone with respect to potential mining opportunities.

The ore zone parallels existing structures, running about N 60° E. The ore zone is prismatic in nature and is continuous. However, two strongly mineralized zones forming the Main Zone and the East Zone allows a figure eight shaped pit to be developed around the high grade zones as well as capturing the low grade between the two zones.

In both the East Zone and the Main Zone, the copper grade increases in depth. The gold grade also increases in depth, although more dominantly in the East Zone.

The important features at the East and Main ore zones are as follows:

- i. The combined ore zones form a very large ore zone, presently outlined by an open pit at 550×10^6 tonnes. However, the ore zone could be increased significantly by increasing the depth and utilizing improved mining economic parameters. The cutoff for the resource calculation is about 0.2% Copper.
- ii. The ore zone is enveloped by lower grade zones. A review of the raw data indicates that higher-grade continuity occurs in both the vertical and within the higher-grade core of each ore zone. This indicates that substantial tonnages exist which are at elevated grade levels, and the ore zone can be defined by discrete tonnages as a function of raising the cutoff grade. This conclusion is arrived at by an evaluation of the raw data, rather than evaluations of geostatistical data.
- iii. The grade increases substantially with depth. This poses a cash flow problem for traditional open pit mining techniques.

These features of the ore zone are the more important aspects and must be addressed properly in any mine plan. The following mine plan addresses these characteristics by:

- i. Capitalizing on the highest grade possible for a 20-year mine life.
- ii. Utilizing a mining technique that centers on the highest-grade ore in both the vertical and horizontal sense.
- iii. The plan develops the ore such that the high grade carries the capital debt and potentially allows the lower grade to become economical.

The ore reserves are dominated by the copper mineralization and gold is proportional to the copper content. A high degree of confidence can be given to the resource classification of proven and probable ore, and approximately 92% of the resource are within this category. Both Montgomery and FDW checked and confirmed geologic resources.

Mine Plan

The mine plan is defined by the following criteria:

1. Open pit surface ore is to be drilled and blasted by large diameter drills (i.e. 10" boreholes). Blasting would be done exclusively with dry Anfo with a minimum of slurry. This will achieve the lowest cost, best fragmentation and maximum swell in the muckpile. Anticipated drilling and blasting costs are \$0.21/tonne including secondary breakage.
2. The ore would be moved to ore passes located at approximately 300 meter centers. This is based on 150 meter optimum push distances for dozers. The ore passes would be no less than 3 meters in diameter and possibly up to 5 meters.
3. The material would be moved to the ore passes by very large dozers (i.e. D-11-CD). The estimated average cost is \$0.09/tonne for a maximum 150 meter push.
4. Underground haulage is estimated to be 0.08/tonne. This is based on train haulage or similar bulk material transport system.

The plan would be to do minimal pre-production development such that an ore pass could be developed on both the East Zone and the Main Zone. In the vicinity of the ore pass, preliminary blasting would be done with an air track using 2¼" holes, such that small muck could be guaranteed in the first blast. Plugging of an ore pass is a major concern. A large diameter drill would be utilized for production blasting at some distance from the ore pass. A production blast would have a 30% higher powder factor than normal open pit mining to ensure a high degree of fragmentation.

Production blasts will always have about 1 – 2 % oversized muck, and this will be moved to selected areas and fragmented by secondary blasting. Heavy reliance will be on dozer operators to ensure that no oversized materials are allowed in the ore pass area. It is not anticipated that a grizzly will be required. A grizzly could cause other problems and reduce productivity.

It is anticipated that conventional hydraulic chutes will be utilized to load large Granby cars pulled by an electric locomotive system. Underground haulage costs are anticipated to be about \$0.08/tonne. Alternative material transport schemes exist and will be evaluated, but are likely to have similar capital and operating costs.

It is also anticipated that the ore haulage system will be located at the 1050 elevation, with a portal located at the north end of Kluea Lake. A surface tram will continue to the area north of the lake. Total unit operating costs for this mining plan are anticipated to be about \$0.40 – 0.45/tonne ore.

Waste mining can be achieved in a similar way to the above, however haulage routes are to the large valley to the north east of the pit. It is anticipated that this area to the east of the pit will carry the volume of waste, not only for the initial mining phase but also for future phases. The following contractor costs are anticipated.

Underground Ore Haulage Access	=	\$7.5 x 10 ⁶
Underground Ore Passes	=	\$2.7 x 10 ⁶
Waste Passes	=	\$2.0 x 10 ⁶
Main Waste Haulage	=	\$6.25 x 10 ⁶
Underground Waste Access	=	\$2.5 x 10 ⁶
		<u>\$19.95 x 10⁶</u>

Table 1 indicates the available tonnage and grades defined by a pit outlining approximately 200×10^6 tonnes of the best grade ore. The pit has been extracted from tables 5.2 and 5.3 and are approximate formulations that the average slope angle is 55° . The average slope in the FDW design was about 40° . The resulting average stripping ratio is 1.45:1. Table 2 is a production schedule for a 30,000 tpd mine and mill based on Table 1.

Table 1 – Dozer Pit

Bench	Ore ($\times 10^6$)	Copper (%)	Gold (gm/tonne)	Waste ($\times 10^6$)	Strip Ratio	Remarks										
1575				0.08		1. Pit volumes and grades for highest grade 200×10^6 tonnes.										
1560				0.44												
1545	0.117	0.31	0.23	3.27	27.95											
1530	1.8	0.39	0.22	10.32	5.73											
1515	3.52	0.37	0.23	15.20	4.32		2. Average pit slope is 55°									
1500	4.58	0.37	0.28	18.15	3.96		3. Ore proportioned from Table 5.3 i.e. $210/536 = .3918$									
1485	5.48	0.37	0.29	20.13	3.67											
1470	6.34	0.39	0.31	21.62	3.41		4. <table style="display: inline-table; border: none; vertical-align: middle;"> <tr> <td><u>Tonnes</u></td> <td><u>Cu</u></td> <td><u>Au</u></td> </tr> <tr> <td>536×10^6</td> <td>0.318</td> <td>0.251</td> </tr> <tr> <td>207×10^6</td> <td>0.462</td> <td>0.38</td> </tr> </table>	<u>Tonnes</u>	<u>Cu</u>	<u>Au</u>	536×10^6	0.318	0.251	207×10^6	0.462	0.38
<u>Tonnes</u>	<u>Cu</u>	<u>Au</u>														
536×10^6	0.318	0.251														
207×10^6	0.462	0.38														
1455	6.89	0.39	0.32	22.26	3.23											
1440	7.55	0.39	0.31	21.50	2.85	5. Copper better by 45%										
1425	7.71	0.41	0.31	20.33	2.64											
1410	8.42	0.40	0.29	18.39	2.18	6. Gold better by 51%										
1395	8.49	0.39	0.29	16.98	2.0											
1380	8.53	0.40	0.28	15.65	1.83	7. Above based on COG \$8.00 (Table 5.2)										
1365	8.57	0.41	0.29	14.28	1.67											
1350	8.77	0.42	0.30	12.75	1.45	8. Based on volume of cone calculation $V = \frac{1}{3} \pi R^2 H$										
1335	9.27	0.42	0.31	10.97	1.18											
1320	9.51	0.44	0.34	9.52	1.00	9. Volume of new pit = volumes of FDW pit/2.87										
1305	9.55	0.46	0.37	8.31	0.87											
1290	9.47	0.48	0.39	7.22	0.76	10. Actual waste is 246×10^6 raised to 300×10^6										
1275	9.27	0.51	0.42	6.21	0.67											
1260	9.16	0.52	0.45	5.20	0.57											
1245	8.81	0.53	0.46	4.48	0.51											
1230	8.30	0.52	0.46	3.91	0.47											
1215	7.87	0.51	0.45	3.27	0.42											
1200	7.24	0.51	0.46	2.82	0.39											
1185	6.81	0.51	0.46	2.34	0.34											
1170	6.14	0.51	0.47	1.61	0.26											
1155	5.28	0.52	0.50	1.05	0.20											
1140	4.54	0.53	0.52	0.73	0.16											
1125	3.52	0.57	0.58	0.44	0.13											

Table 1 – Dozer Pit (cont'd)

Bench	Ore (x10 ⁶)	Copper (%)	Gold (gm/tonne)	Waste (x10 ⁶)	Strip Ratio	Remarks
1110	2.62	0.60	0.65	0.28	0.11	
1095	1.92	0.63	0.67	0.16	0.08	
1080	1.53	0.67	0.70	0.08	0.05	
1065	1.13	0.73	0.79	0.04	0.04	
1050	0.82	0.78	0.86			
1035	0.39	0.84	0.94			
	207.2	0.46	0.38	301.20	1.45:1	

Table 2 – Production Schedule

Year	Stockpile x 10 ⁶	Ore Milled x 10 ⁶	Copper Grade %	Gold Grams/tonne	Waste X 10 ⁶	Stripping Ratio	Remarks
-1	0.117		0.31	0.23	3.79	32.4	
1		10.5	0.44	0.35	17.325	1.65	
2		10.5	0.44	0.35	17.325	1.65	
3		10.5	0.44	0.35	17.325	1.65	
4		10.5	0.44	0.35	17.325	1.65	
5		10.5	0.44	0.35	17.325	1.65	
6		10.5	0.44	0.35	17.325	1.65	
7		10.5	0.44	0.35	17.325	1.65	
8		10.5	0.44	0.35	17.325	1.65	
9		10.5	0.44	0.35	17.325	1.65	
10		10.5	0.44	0.35	17.325	1.65	
11		10.5	0.44	0.35	17.325	1.65	
12		10.5	0.44	0.35	17.325	1.65	
13		10.5	0.44	0.35	17.325	1.65	
14		10.5	0.44	0.35	17.325	1.65	
15		10.5	0.44	0.35	17.325	1.65	
16		10.5	0.44	0.35	17.325	1.65	
17		10.5	0.44	0.35	17.325	1.65	
18		10.5	0.51	0.46	2.24	0.21	
19		10.5	0.52	0.51	2.24	0.21	
20		10.5	0.64	0.68	2.24	0.21	
		210 x 10 ⁶	0.46	0.38	301.25	1.43	

The following are the key points with regards to this schedule:

1. The pit captures approximately 200×10^6 of the best grade ore from benches 1545 to 1035. Although the better grade ore is within the central core of the ore zone, the stripping ratio does not climb significantly because of the ramp elimination and wall steepening to 55° .
2. The copper and gold grades assigned to years 1 – 17 are an average of the grades available on the 1545 - 1200 meter benches. Based on the geometrics of the dozer push situation with the ability to concentrate on the higher grade cores at the east and main zone, it is likely that these grades can be attained.
3. It is assumed that the ultimate pit limits can be attained by beginning an initial pit and completing two further pushbacks to ultimate pit limits. Sustaining a stripping ratio of about 1.65:1 over the first 17 years should be sufficient to ensure a continuous ore flow.
4. Pre-production requirements with this plan are approximately 4 million tonnes. This tonnage is significantly less than traditional mining because of the reduced geometric requirements of the dozer-push style.
5. It is anticipated that approximately 200×10^6 tonnes of the waste will, in fact, be low grade ore (i.e. Cu =0.22%, Au = 0.16 g/t). Of this, approximately 100×10^6 will grade 0.28% copper and 0.21 g/tonne gold. It will be important to stockpile material close to the mill for possible future processing. However, from a milling point of view, low grade will always be available for inventory purposes. Consequently, it is worthwhile to minimize pre-production stripping and hold the operating stripping to a minimum.
6. In general, the practicality of Table 2 is considered reasonable. However, the end conclusion is that approximately 40% of the tonnage of the mineralized zone can be extracted at about 30% higher grade without compromising the stripping ratio, and doing so at a much reduced pre-production cost, capital cost and at an approximate mine operating cost of one half the original cost. For this to happen, the interplay of three or four variables must occur.

i. **Slope Angle**

The overall slope angle can be brought to about 55° by elimination of the wide access ramp and by reducing piezometric water pressures on the pit slopes by doing the preliminary underground work. This slope would allow for a 15 meter berm on a triple bench (i.e. 15 meter berm every 45 meters). This will satisfy mine safety regulations.

Normal safety criteria call for bench thicknesses to be tied to equipment dimensions working at the toe of the working face (i.e. shovels, FEL's). In this case, dozers will be pushing from the crest. Consequently, it might be possible to further increase the bench thickness (i.e. to 20 meters).

In this pit design, the longest exposure of the final wall will be about 8 – 10 years. Weather conditions are generally dry. Consequently, the maximum slope angle will likely be a function of structures within the rock mass. Considerable work should be done on this, particularly on the temporary walls. It could well be that these walls could be steepened to ± 60°. This should be based on mapping of temporary walls while mining is in progress.

- ii. Although dozers have increased in size in the last few decades, they are small compared to truck-shovel systems. In this particular case, a dozer takes the place of a shovel, trucks, rubber-tired dozers and graders. The operating mode is a simple cyclical rhythm that can move large volumes over short distances. The mode of operation will always be a downhill push to flat and, perhaps, downhill loaded. A large dozer can push 30,000 – 40,000 tonnes/day. The capital cost at this dozer is about $\$2.1 \times 10^6$ and the operating cost about $\$0.09/\text{tonne}$. This system replaces a truck-shovel system costing about $\$20 \times 10^6$ that has an operating cost of $\$0.42/\text{tonne}$.

It is likely that, aside from a dragline, the dozer push mining style is the most economical style in mining as long as the application is practical.

- iii. The dozer push mining style allows confined mining around the core of the high grade without comprising on mining geometrics or cost. This ability to be confined around the ore zone allows a minimum of pre-production development.

It is the inter-relationship of these variables that has allowed the schedule of Table 2 to be reasonably practical.

The following estimated costs indicate the advantages of this plan:

Mining Component	Conventional 30,000 tpd Plan	1997 Plan 30,000 tpd
Pre-production Cost	\$22,000,000	\$6,000,000
Capital Cost	\$27,000,000	\$9,000,000
Underground Development		\$20,000,000
Operating Cost/Tonne Ore	\$1.96/tonne	\$1.14/tonne

The initial capital for pre-production and underground work is almost equal to the pre-production requirement plan. The capital and operating cost savings of the new plan reflects the basic simplicity and the ability to work with gravity as opposed to working against gravity. The NSR of the ore at \$325.00 gold price and \$0.90/lb copper price is \$9.93/tonne. If mining costs of 1.14/tonne of ore can be attained, it is likely that a rate of return of plus 15% can be attained at current commodity prices.

GENERAL COMMENTS

1. The driving of raises ore has significant cost. The cost translates into about \$30,000/bench. However, pioneering ramp development in any open pit is very expensive and for each pioneered ramp the additional cost for the tonnage moved will be about \$65,000. The present value of the extra development cost will go a long way in paying for the ore passes, in terms of development room and blasting costs. As ore passes are driven in ore, some revenue will be generated.

2. One of the big irritants in terms of cost in the FDW plan was the cost of transporting 143×10^6 tonnes of AMD material an extra 7 km to be submerged in the tailings pond. This cost would have played a major role in the high cost of loading and hauling (i.e. \$0.42/tonne). Under the new plan this material will have a much shorter haulage distance and can, in fact, be incorporated into the general waste plan with similar costs.
3. Costing with respect to underground raises and haulage routes are based on contractor cost. They do not assume raise-boring or tunnel-boring. It might be worthwhile to consider an ownership situation for underground work.
4. The suggested overall approach to mining is new to British Columbia. However, each component is fairly straight-forward and simple. In the future, the Company will have to identify various operations with similar mining problems and visit those operations. Also, it will be important to engage various consultants with expertise in specialized areas.
5. Although the above plan is for 200×10^6 tonnes of ore, final infrastructure development including tailings pond location, waste dump location and plant site location should be done with the entire resource in mind.
6. The outlined strategy and direction could prove to be economical at today's commodity prices. This is important, given that commodity prices are 10 – 20 % lower than the prefeasibility and that the production rate is reduced. It is anticipated that the capital cost would be on the order of $\$200 \times 10^6$ or less.
7. Most of the recent work has been geological and mining in nature. The biggest improvements will probably be realized on the mining and geological side. However, little or no work has been done on the milling and infrastructure side. There are potentially some improvements relating to gold recovery, evaluation of concentrate shipment alternatives, and capital costing possibilities.

D.J. Barker, P.Eng.

TABLE 5.2
RED CHRIS PROJECT DEPOSITS
MINEABLE RESERVES IN MAIN PIT (420) BY CUTOFF GRADE (\$)

COG(\$)	Proven / Probable / Possible					Proven / Probable					Possible		
	Ore (Mt)	Copper (%)	Gold (gpt)	Waste (Mt)	Strip Ratio	Ore (Mt)	Copper (%)	Gold (gpt)	Waste (Mt)	Strip Ratio	Tonnes (Million)	Copper (%)	Gold (gpt)
0.50	775	0.241	0.194	505	0.65	687	0.253	0.201	593	0.86	87	0.147	0.139
1.00	735	0.254	0.202	545	0.74	664	0.261	0.206	616	0.93	71	0.189	0.165
1.50	686	0.269	0.213	594	0.87	625	0.275	0.216	654	1.05	61	0.207	0.182
2.00	642	0.283	0.223	638	0.99	588	0.289	0.226	692	1.18	54	0.218	0.191
2.50	609	0.294	0.232	671	1.10	558	0.299	0.235	721	1.29	51	0.239	0.199
3.00	572	0.306	0.241	707	1.24	526	0.311	0.244	754	1.43	46	0.249	0.207
3.50	536	0.318	0.251	743	1.39	494	0.323	0.254	786	1.59	43	0.260	0.216
4.00	501	0.330	0.261	778	1.55	462	0.335	0.264	818	1.77	39	0.271	0.226
4.50	462	0.344	0.273	817	1.77	428	0.349	0.276	852	1.99	35	0.282	0.236
5.00	424	0.358	0.286	856	2.02	393	0.363	0.288	887	2.26	31	0.295	0.261
5.50	380	0.376	0.302	900	2.37	356	0.379	0.303	924	2.60	24	0.332	0.287
6.00	345	0.391	0.316	935	2.71	324	0.394	0.317	956	2.95	21	0.346	0.301
6.50	314	0.405	0.330	966	3.08	294	0.410	0.332	986	3.36	20	0.333	0.301
7.00	282	0.421	0.346	998	3.54	264	0.426	0.348	1,016	3.85	18	0.347	0.316
7.50	246	0.442	0.365	1,034	4.20	231	0.447	0.368	1,049	4.55	15	0.367	0.320
8.00	216	0.462	0.385	1,064	4.92	203	0.466	0.388	1,077	5.31	13	0.401	0.339
8.50	188	0.482	0.407	1,091	5.79	177	0.488	0.410	1,103	6.24	12	0.391	0.362
9.00	167	0.501	0.427	1,113	6.68	156	0.508	0.431	1,124	7.19	10	0.397	0.367
9.50	149	0.519	0.445	1,131	7.61	140	0.525	0.449	1,140	8.14	9	0.422	0.380
10.00	131	0.538	0.465	1,148	8.74	124	0.545	0.468	1,156	9.31	7	0.418	0.414
10.50	115	0.560	0.485	1,165	10.12	110	0.566	0.488	1,170	10.65	5	0.436	0.423
11.00	101	0.582	0.506	1,179	11.67	97	0.587	0.509	1,183	12.22	4	0.466	0.436
11.50	90	0.601	0.524	1,189	13.17	87	0.606	0.526	1,193	13.68	3	0.462	0.469
12.00	79	0.624	0.544	1,200	15.12	77	0.627	0.545	1,202	15.54	2	0.506	0.505
12.50	70	0.647	0.565	1,210	17.27	69	0.649	0.566	1,211	17.66	1	0.554	0.518
13.00	63	0.665	0.586	1,217	19.41	61	0.668	0.587	1,218	19.85	1	0.524	0.539
13.50	56	0.685	0.609	1,224	21.89	55	0.688	0.610	1,225	22.36	1	0.541	0.561
14.00	50	0.702	0.633	1,230	24.54	49	0.705	0.634	1,231	25.04	1	0.547	0.581
14.50	45	0.721	0.656	1,235	27.46	44	0.724	0.657	1,236	27.98	1	0.556	0.601
15.00	40	0.739	0.680	1,239	30.69	40	0.742	0.682	1,240	31.30	1	0.581	0.575

TABLE 5.3
RED CHRIS PROJECT DEPOSITS

MINEABLE RESERVES IN MAIN PIT (420) BY LEVEL AT COG = \$3.50

Bench	Toe Elev'n.	Proven / Probable / Possible					Proven / Probable					Possible		
		Ore (Mt)	Copper (%)	Gold (gpt)	Waste (Mt)	Strip Ratio	Ore (Mt)	Copper (%)	Gold (gpt)	Waste (Mt)	Strip Ratio	Tonnes (Million)	Copper (%)	Gold (gpt)
10	1,575	0.0	0.000	0.000	0.2	0.00	0.0	0.000	0.000	0.2	0.00	0.0	0.000	0.000
11	1,560	0.0	0.000	0.000	1.1	0.00	0.0	0.000	0.000	1.1	0.00	0.0	0.000	0.000
12	1,545	0.3	0.215	0.151	8.1	30.25	0.3	0.215	0.151	8.1	30.25	0.0	0.000	0.000
13	1,530	4.6	0.268	0.141	25.6	5.59	4.6	0.268	0.141	25.6	5.59	0.0	0.000	0.000
14	1,515	9.0	0.255	0.151	37.7	4.21	8.7	0.258	0.148	38.0	4.37	0.3	0.158	0.248
15	1,500	11.7	0.258	0.182	45.0	3.85	11.1	0.263	0.177	45.6	4.11	0.6	0.166	0.274
16	1,485	14.0	0.256	0.191	49.9	3.56	13.1	0.263	0.188	50.8	3.88	0.9	0.157	0.234
17	1,470	16.2	0.266	0.205	53.6	3.32	15.3	0.271	0.203	54.5	3.58	0.9	0.182	0.239
18	1,455	17.6	0.271	0.210	55.2	3.13	16.8	0.276	0.209	56.1	3.33	0.8	0.169	0.230
19	1,440	19.3	0.271	0.203	53.3	2.76	18.3	0.277	0.205	54.3	2.97	1.0	0.166	0.168
20	1,425	19.7	0.280	0.203	50.4	2.56	18.7	0.285	0.206	51.4	2.75	1.0	0.187	0.147
21	1,410	21.5	0.273	0.193	45.6	2.13	20.2	0.278	0.196	46.9	2.32	1.3	0.193	0.145
22	1,395	21.7	0.272	0.187	42.1	1.94	20.6	0.277	0.190	43.1	2.09	1.1	0.174	0.128
23	1,380	21.8	0.275	0.186	38.8	1.78	20.8	0.278	0.188	39.8	1.91	1.0	0.210	0.142
24	1,365	21.9	0.282	0.191	35.4	1.62	20.8	0.286	0.194	36.4	1.75	1.0	0.202	0.131
25	1,350	22.4	0.288	0.197	31.6	1.41	21.2	0.291	0.201	32.8	1.55	1.2	0.235	0.127
26	1,335	23.7	0.293	0.204	27.2	1.15	21.5	0.299	0.212	29.5	1.37	2.3	0.236	0.128
27	1,320	24.3	0.303	0.221	23.6	0.97	21.6	0.312	0.229	26.3	1.21	2.7	0.231	0.157
28	1,305	24.4	0.317	0.239	20.6	0.85	21.6	0.324	0.245	23.3	1.08	2.7	0.261	0.191
29	1,290	24.2	0.330	0.253	17.9	0.74	21.7	0.337	0.260	20.4	0.94	2.5	0.269	0.192
30	1,275	23.7	0.350	0.275	15.4	0.65	21.4	0.357	0.282	17.7	0.83	2.3	0.286	0.211
31	1,260	23.4	0.361	0.293	12.9	0.55	21.1	0.366	0.299	15.2	0.72	2.2	0.314	0.236
32	1,245	22.5	0.364	0.299	11.1	0.49	20.7	0.369	0.305	12.9	0.62	1.8	0.307	0.230
33	1,230	21.2	0.361	0.301	9.7	0.46	19.8	0.366	0.305	11.1	0.56	1.4	0.292	0.246
34	1,215	20.1	0.353	0.298	8.1	0.40	19.1	0.357	0.302	9.1	0.48	1.0	0.277	0.222
35	1,200	18.5	0.351	0.299	7.0	0.38	17.6	0.355	0.305	7.9	0.45	1.0	0.279	0.190
36	1,185	17.4	0.350	0.301	5.8	0.33	16.4	0.355	0.307	6.8	0.41	1.0	0.269	0.203
37	1,170	15.7	0.352	0.307	4.0	0.26	14.3	0.355	0.313	5.4	0.38	1.3	0.320	0.243
38	1,155	13.5	0.361	0.324	2.6	0.19	11.5	0.368	0.330	4.5	0.39	1.9	0.319	0.288
39	1,140	11.6	0.369	0.340	1.8	0.16	9.0	0.387	0.357	4.4	0.49	2.6	0.306	0.281
40	1,125	9.0	0.390	0.381	1.1	0.12	6.8	0.413	0.398	3.2	0.47	2.1	0.316	0.326
41	1,110	6.7	0.415	0.422	0.7	0.11	5.0	0.445	0.445	2.4	0.48	1.7	0.326	0.354
42	1,095	4.9	0.437	0.436	0.4	0.07	4.4	0.452	0.451	0.9	0.21	0.6	0.322	0.321
43	1,080	3.9	0.461	0.460	0.2	0.06	3.7	0.463	0.462	0.5	0.13	0.2	0.430	0.429
44	1,065	2.9	0.504	0.514	0.1	0.03	2.7	0.509	0.523	0.3	0.09	0.2	0.422	0.367
45	1,050	2.1	0.535	0.562	0.0	0.01	2.1	0.539	0.566	0.1	0.02	0.0	0.285	0.312
46	1,035	1.0	0.581	0.615	0.0	0.00	1.0	0.581	0.615	0.0	0.00	0.0	0.000	0.000
47	1,020	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000
48	1,005	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000
49	990	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000
50	975	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000
51	960	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000
52	945	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000
53	930	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000
54	915	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000
55	900	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000	0.0	0.00	0.0	0.000	0.000
Total		536.4	0.318	0.251	743.8	1.39	493.7	0.323	0.254	786.5	1.59	42.7	0.260	0.216

AMERICAN BULLION MINERALS LTD.

INTERIM REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 1997 AND 1996

(PREPARED BY MANAGEMENT WITHOUT AUDIT)

(EXPRESSED IN CANADIAN DOLLARS)

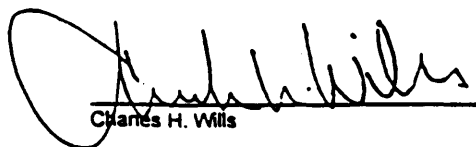
AMERICAN BULLION MINERALS LTD.
 BALANCE SHEET
 AS AT JUNE 30, 1997 AND 1996
 (PREPARED BY MANAGEMENT WITHOUT AUDIT)
 (EXPRESSED IN CANADIAN DOLLARS)

	1997	1996
ASSETS		
Current Assets		
Cash and short-term investments	\$1,688,195	\$3,033,668
Accounts receivable	55,552	67,102
	<u>1,743,747</u>	<u>3,100,770</u>
Reclamation Deposits	105,000	115,000
Resource Assets		
Deferred exploration & development costs	11,761,132	10,953,938
Fixed Assets		
	43,185	1,850
	<u>\$13,653,064</u>	<u>\$14,171,558</u>

LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$55,970	\$2,004
Due to related parties	0	24,869
	<u>55,970</u>	<u>26,873</u>

SHAREHOLDERS' EQUITY		
Capital Stock		
Authorized - 100,000,000 common shares without par value		
Issued - 12,191,498 shares (1996 - 12,191,498 shares)	16,529,666	16,529,666
Contributed Surplus	11,031	11,031
Deficit	(2,943,603)	(2,396,012)
	<u>13,597,094</u>	<u>14,144,685</u>
	<u>\$13,653,064</u>	<u>\$14,171,558</u>

Approved by the Directors


 Charles H. Wils


 Richard O'C. Whittall

AMERICAN BULLION MINERALS LTD.
STATEMENT OF LOSS AND DEFICIT
FOR THE SIX MONTHS ENDED JUNE 30, 1997 AND 1996
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(EXPRESSED IN CANADIAN DOLLARS)

	1997	1996
Administration Expenses		
Administration Fee	\$51,453	\$0
Bank charges and interest	207	295
Consulting	26,140	127,000
Depreciation	1,480	0
Foreign exchange	609	0
Insurance	23,471	2,779
Legal and audit	186,812	68,694
Office operations	12,289	13,994
Office rent	2,228	8,307
Salaries and wages	53,018	39,762
Shareholder communications	49,039	59,470
Transfer agent and stock exchange fees	54,262	93,076
Travel and promotion	6,868	7,162
	<u>467,876</u>	<u>420,539</u>
Other Expenses (Income)		
Interest income	<u>(27,915)</u>	<u>(68,125)</u>
	<u>(27,915)</u>	<u>(68,125)</u>
Loss (Income) for the Period	439,961	352,413
Deficit - Beginning of Period	2,503,642	2,043,599
Deficit - End of Period	<u>\$2,943,603</u>	<u>\$2,396,012</u>

AMERICAN BULLION MINERALS LTD.
STATEMENT OF DEFERRED EXPLORATION AND MINERAL PROPERTY EXPENDITURES
FOR THE SIX MONTHS ENDED JUNE 30, 1997 AND 1996
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(EXPRESSED IN CANADIAN DOLLARS)

	1997	1996
Exploration Expenditures During the Period		
Accommodation	\$2,491	\$8,828
Assays and geochemical analysis	29,518	8,399
Consulting	46,953	371,998
Field supplies	36	2,765
Drafting, maps and prints	7	18,738
Expediting	2,761	1,997
Fuel	0	322
Drilling	0	0
Insurance	793	2,334
Property acquisition and maintenance costs	264	15,866
Project management fees	3,762	30,985
Salaries and wages	22,743	73,113
Surveys	0	0
Transportation	22,304	38,828
Trenching and roads	0	0
Total Expenditures During the Period	131,632	574,173
Joint Venture Participation	(13,103)	(57,290)
Grant Recoveries	0	(38,172)
	(13,103)	(95,461)
Net Expenditures During the Period	118,529	478,712
Balance - Beginning of Period	11,642,603	10,475,226
Balance - End of Period	\$11,761,132	\$10,953,938

AMERICAN BULLION MINERALS LTD.
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE SIX MONTHS ENDED JUNE 30, 1997 AND 1996
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(EXPRESSED IN CANADIAN DOLLARS)

	1997	1996
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
(Loss) for the period	(439,961)	(352,413)
Items not affecting cash:		
Decrease (Increase) in accounts receivable	(5,930)	233,718
Increase (Decrease) in accounts payable	(10,821)	0
Increase (Decrease) in depreciation	1,480	(256,606)
	<u>(455,232)</u>	<u>(375,301)</u>
FINANCING		
Shares issued for stock options	0	447,150
Shares issued for warrants - cash	0	322,965
Share issue costs	0	(28,779)
	<u>0</u>	<u>741,335</u>
INVESTING ACTIVITIES		
Deferred exploration costs	(131,632)	(558,307)
Mineral property costs	0	(15,866)
Recovery from joint venture partner	13,103	57,290
Grant recovery	0	38,172
Purchase of fixed assets	(40,012)	0
	<u>(158,541)</u>	<u>(478,712)</u>
INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	(613,773)	(112,678)
CASH AND SHORT-TERM INVESTMENTS - BEGINNING OF PERIOD	2,301,968	3,146,346
CASH AND SHORT-TERM INVESTMENTS - END OF PERIOD	<u>\$1,688,195</u>	<u>\$3,033,668</u>

AMERICAN BULLION MINERALS LTD.
 SCHEDULE B
 FOR THE SIX MONTHS ENDED JUNE 30, 1997 AND 1996
 (PREPARED BY MANAGEMENT WITHOUT AUDIT)
 (EXPRESSED IN CANADIAN DOLLARS)

1) Non Arm's Length Expenditures

The Company had agreements with the following companies:

John S. Brock Limited, a company controlled 70% by John S. Brock (formerly President of the Company) and 30% by Wayne J. Roberts (formerly the Vice President, Exploration of the Company); and

Rescom Consultants Ltd., a company controlled by Robert E. Swenarchuk, formerly the Vice President, Corporate Development of the Company.

These Agreements were terminated on May 14, 1997.

Under the agreement with John S. Brock Limited, the Company paid the following:

cost of operations and administration, including fees for professional services provided by John S. Brock as President and Wayne J. Roberts as Vice President, Exploration. \$16,580.74 paid from April 1 to May 14, 1997.

early termination administration fee \$50,000; and

exploration services and project management fees, calculated at 6% of exploration costs - \$18,374.68 from April 1, 1997 to May 14, 1997.

Under the agreement with Rescom Consultants Ltd., the Company paid for the corporate development and investor relations services provided by Robert E. Swenarchuk, as Vice President, Corporate Development \$4,500 from April 1, 1997 to May 14, 1997.

2) a) Securities Issued During the Period

Nil

2) b) Options Issued During the Period

<u>Directors' options</u>	<u>Date of option</u>	<u>Expiry date</u>	<u>\$/sh</u>	<u>No. of shares</u>
Charles H. Wills	05/30/97	05/13/07	1.07	600,000
R. Hector MacKay-Dunn	05/30/97	05/13/07	1.07	150,000
Richard O.C. Whittall	05/30/97	05/13/07	1.07	150,000
				900,000
<u>Employees' options</u>				
Bill Espley	05/30/97	05/13/07	1.07	200,000
Dann Barry	05/30/97	05/13/07	1.07	290,000
				490,000
				1,390,000

3) a) Share Capital

Common shares without par value - authorized 100,000,000
 Common shares without par value - issued and outstanding 12,191,498

AMERICAN BULLION MINERALS LTD.
SCHEDULE B
FOR THE SIX MONTHS ENDED JUNE 30, 1997 AND 1996
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(EXPRESSED IN CANADIAN DOLLARS)

3) b)i) Outstanding Directors and Employee Stock Options

<u>Directors' options</u>	<u>Date of option</u>	<u>Expiry date</u>	<u>\$/sh</u>	<u>No of shares</u>
Charles H. Wills	05/30/97	05/13/07	1.07	600,000
R. Hector MacKay-Dunn	05/30/97	05/13/07	1.07	150,000
Richard O'C. Whittall	05/30/97	05/13/07	1.07	150,000
				900,000
 <u>Employees' options</u>				
Bill Espley	05/30/97	05/13/07	1.07	200,000
Darin Barry	05/30/97	05/13/07	1.07	290,000
				490,000
				1,390,000

3) b)ii) Outstanding Warrants

Nil

3) b)iii) Convertible Securities

Nil

3) c) Escrowed and Pooled Shares

Nil

3) d) Directors of the Company

<u>Name of Director</u>	<u>Residence</u>
Charles H. Wills	Vancouver, BC
R. Hector MacKay-Dunn	Vancouver, BC
Richard O'C. Whittall	Vancouver, BC

AMERICAN BULLION MINERALS LTD. MANAGEMENT DISCUSSION

**FOR THE PERIOD:
April 1, 1997 to June 30, 1997
(Second Quarter)**

Exploration/Development Activity

The Company continued the re-scoping of the Red Chris Property with a view to reducing capital and operating costs while optimizing the project's net present value and Internal Rate of Return. The initial strategic focus has been on maximizing the initial grade mined by concentrating on a high-grade starter pit in the east zone of the main pit. The second consideration has been the reduction of capital and operating costs by reconfiguring and optimizing the basic mine layout. The final priority has been the consideration of alternate processing technologies that may benefit both the Red Chris Project and the surrounding region. The re-scoped plan will likely involve a reduced initial mill throughput, which will be expandable in stages over the life of the mine. The Company continues to be pro-active in generating innovative alternative approaches for the development of the Red Chris Property in order to ensure that shareholder value is maximized.

During the Second Quarter the Company continued the base line environmental monitoring that is being conducted within project guidelines stipulated by the British Columbia Provincial Government in accordance with an application for a Mine Development Certificate.

While negotiations pertaining to a prospective joint venture with Imperial Metals Corporation continue, the Company has also initiated contacts and is now pursuing discussions with a number of domestic and international mining companies that have previously expressed interest in the Red Chris Property. In addition, the Company is seeking a strategic long-term relationship with an integrated copper company from a 'net-demand' copper country. Management believes that such a relationship will allow the Company to maximize the return to shareholders from the Red Chris Property and will significantly enhance the value the Company can add to similar projects in the future.

Corporate and Administrative Action

The Board of Directors has appointed full time management for the Company and new offices utilized exclusively for the Company's business have been established in Vancouver at suite 975-625 Howe Street.

An executive search for a 'Vice-President, Mine Development' has been initiated through a leading mining executive search firm. The response for this position has exceeded our expectations, resumes have been short-listed and interviews are being conducted. Management's goal in this process is to hire a dynamic candidate who will expedite commercial production for the Red Chris Property and initiate new strategic investments for the Company's 'Mining Division'. We look forward to making an announcement in this regard once a successful candidate has been identified.

Subsequent to the quarter an 'Investment Division' has been formed, it will operate independently of the existing assets within the Company's 'Mining Division', was approved by the Company's Board of Directors. Mr. Richard O'C. Whittall, a director of the Company, was appointed 'Vice-President, Investments' and assumed day-to-day responsibility for the activities of the Investment Division. Mr. Whittall brings extensive experience and contacts to this position as a result of his 10 years in investment banking and corporate finance. His leadership and vision in the establishment and building of the Investment Division will be a substantial asset for the Company.

The Investment Division's mandate will be to achieve above average returns through portfolio and direct investments in non-resource based assets. A cautious 'value' approach emphasising cash-flow returns in clearly defined time frames and business cycles will be taken. The objective of the Investment Division is to develop near-term returns for shareholders and to fund all corporate costs while diversifying the Company's asset base.

Management has identified the first transaction being evaluated for the Investment Division, the 'en bloc' acquisition of approximately 1750 acres of recreational and development property in unique distress circumstances on the island of Hawaii. The property comprises 43 separate legal titles, a portion of which will be marketed immediately as separate lots through the local Prudential real-estate agency. The purchase price of the property in aggregate will approximate Cdn.\$2.4 million (US\$954 per acre), which the Company expects to satisfy through debt financing. The transaction is anticipated to close during August 1997, subject to the completion of satisfactory due diligence, the settlement of financing requirements and Board approval.

Administrative functions were conducted in the normal course during the Quarter with expenditures inclusive of corporate development for the six month period totaling \$224,219. In addition, there were extraordinary expenditures incurred during the Quarter in conjunction with the Company's Annual General Meeting and the termination of certain management contracts totaling \$243,657. The Company ended the Second Quarter with approximately \$1,740,000 in working capital and no long term liabilities.

Corporate Development Activity

The Board of Directors has appointed Bill Espley as 'Director, Corporate Communications' and a Communications Committee has been established. In addition, 'Investor Relations' contracts have been entered with Quantus Marketing of Vancouver and Pangea Projects of Toronto.

A regular program of communications with shareholders, stakeholders and interested third parties was initiated during the Second Quarter. The publication of 'Monthly Management Summaries' began in June 1997. Summaries for the months of May, June and July have been published. Weekly information meetings about the Red Chris Property are being conducted with retail brokers, corporate finance representatives and mining analysts. Press releases about the developments in the Company's affairs are being regularly issued.

Corporate development and shareholder communications expenditures for the year-to-date in the amount of \$49,039 are detailed below:

Advertising & Promotion	602
Proxy Costs (refer above)	18,280
Contract - Investor Relations	24,000
News Release	1,827
Office Expenses	1,344
Salaries	2,986
Total	<u>\$49,039</u>

The statements that are not historical facts are forward looking statements involving known and unknown risks and uncertainties that could cause actual results to vary materially from the targeted results. Such risks and uncertainties include those described in the Company's Form 20-F as amended.

AMERICAN BULLION MINERALS LTD.

**1997
ANNUAL
GENERAL
MEETING**

Directors' Report to Shareholders

Notice of Annual General Meeting of Members

Information Circular

Financial Statements as at December 31, 1996

Place: Company's Boardroom
15th Floor, 675 West Hastings Street
Vancouver, British Columbia

Time: 2:00 P.M.

Date: Thursday, May 14, 1997

**C O R P O R A T E
D A T A**

American Bullion Minerals Ltd.

Head Office

15th Floor
675 West Hastings Street
Vancouver, British Columbia
V6B 1N2

Directors & Officers

John S. Brock, President & Director
Wayne J. Roberts, Director
Robert A. Dickinson, Director
James E. Yates, Director
Robert E. Swenarchuk, Director
Bette J. Geddes, Corporate Secretary
Jeannine P.M. Webb, Chief Financial Officer

Registrar & Transfer Agent

The R-M Trust Company
1177 West Hastings Street
Vancouver, B.C.
V6E 2K3

Solicitors

DuMoulin Black
10th Floor, 595 Howe Street
Vancouver, B.C.
V6C 2T5

Auditors

Coopers & Lybrand
Chartered Accountants
1111 West Hastings Street
Vancouver, British Columbia
V6E 3R2

Listing

Vancouver Stock Exchange -Advanced Company
Toronto Stock Exchange
Symbol -ABP



1997 PRESIDENT'S REPORT TO THE MEMBERS

April 7, 1997

The past year began with a buoyant start. Conversion of Special Warrants attendant to a previously completed \$3.0 million dollar financing was followed by a listing on the Toronto Stock Exchange. Mineral inventory calculations exceeded expectations and led to commissioning of a pre-feasibility study of the Red Chris copper-gold deposit in north-central British Columbia.

By mid-year a number of challenges were faced as it became apparent that objectives for the year would not likely be met. Management were to deal with a number of issues, including: weakening of sector-specific junior resource stock markets, disruption within the copper commodities market, negative perceptions regarding resource development within the province of British Columbia and Teck Corp's election to not proceed immediately with a final feasibility study at Red Chris. In view of the above, a plan to seek an offer to our shareholders was not fulfilled by year-end.

Based on 71,000 metres of drilling in 244 diamond drill holes, measured and indicated tonnage's calculated by independent consultants for the Red Chris deposit are tabled below in accordance with various cut-off parameters expressed as NSR or Net Smelter Return Values.

RED CHRIS PROJECT Measured and Indicated Tonnage and Grade Estimates

CUT-OFF NSR (Per Tonne) (CAN \$)	MILLION TONNES	AVERAGE GRADE		CONTAINED METAL	
		Copper (%)	Gold (gm/T)	Copper (Billion lbs)	Gold (Million oz)
10.00	191	0.52	0.47	2.2	2.9
8.50	270	0.46	0.42	2.7	3.6
7.00	398	0.41	0.36	3.6	4.6

Fluor Daniel Wright prepared a preliminary feasibility study recommending maximizing metal output by application of a 90,000 tonne per day operation to a 494 million tonne mining reserve with an average grade of 0.323 percent copper and 0.254 grams per tonne gold. Increased reserves were gained by lowering the cut-off grade to (CAN) \$3.50 NSR per tonne. Capital costs were estimated to be \$541 million.

The Board of Directors and management concurred that within the parameters of today's market place, financing would not be available for a \$541 million capital cost at Red Chris. As a result, it was decided that a complete re-evaluation of the Red Chris Project with an objective of optimizing production and net present value through consideration of a more modest production scenario related to higher-grade zones within the deposit must be considered. Power, transportation, and all other aspects of logistics, infrastructure and operational parameters would be downsized accordingly. Additional metallurgical studies are also proposed with an anticipation of improved gold recoveries. It is to this end that management, independent consultants and technical specialists will direct their efforts during 1997.

In July of 1996, Teck Corporation elected not to proceed immediately with an option to complete final feasibility at the Red Chris Project. Since that time, Teck have maintained their 20 percent joint venture interest in the Red Chris by paying 10 percent of on-going expenditures. During 1996, continued work at Red Chris included environmental monitoring surveys conducted within project guidelines stipulated by the provincial government in accordance with an application for a mine development certificate. Red Chris expenditures during the year amounted to \$1.4 million.

By way of a financial advisory agreement, Deutsche Morgan Grenfell Canada Ltd. was providing assistance in securing offers for purchase or acquisition of issued and outstanding common shares of American Bullion. One offer was received, but being less than current market value, was rejected by the Company's Board of Directors. The Company and Deutsche Morgan Grenfell decided not to extend the terms of the advisory agreement as at March 27, 1997.

A potentially valuable copper-gold resource remains to be developed at Red Chris. Based on a market price of \$1.00 per share, the market capitalization of the Company is approximately \$13 million or \$11 million after deduction of cash on hand. Market capitalized valuation of contained in-ground gross metal consisting of 3.6 million ounces of gold is \$0.70 (US) per ounce and 2.7 billion pounds copper is \$0.002 (US) per pound. A clear objective for American Bullion will be to bring the base gross metal valuation to industry accepted levels of at least \$10 per ounce gold and 2 cents per pound copper in the ground. With approximately \$2.2 million in the treasury and no debt at year-end, the Company should be sufficiently well financed to work toward accomplishing this task.

Management have recommended that American Bullion also broaden its exposure to additional mineral resource opportunities, particularly in Canada. The Company will therefore be receptive to new property acquisition and joint venture participation proposals.

On behalf of the Board of Directors,



John S. Brock
President



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of the members of AMERICAN BULLION MINERALS LTD. (the "Company") will be held at 1500 - 675 West Hastings Street, Vancouver, British Columbia, on Wednesday, May 14, 1997, at the hour of 2:00 P.M., Vancouver time, for the following purposes:

1. To receive and consider the report of the directors to the members and the financial statements of the Company together with the auditor's report thereon for the financial year ended December 31, 1996.
2. To fix the number of directors at five (5).
3. To elect directors for the ensuing year.
4. To appoint the auditor for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor.
5. To transact such further or other business as may properly come before the meeting and any adjournments thereof.

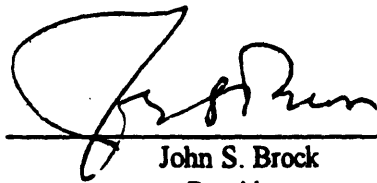
The accompanying Information Circular provides additional information relating to the matters to be dealt with at the meeting and is deemed to form part of this Notice.

The share transfer books of the Company will not be closed, but the Board of Directors has fixed April 7, 1997 as the record date for the determination of members entitled to notice of and to vote at the annual general meeting and at any adjournment thereof. A complete list of the members entitled to vote at the annual general meeting will be open to examination by any member, for any purpose germane to the annual general meeting, during ordinary business hours for a period of 10 days prior to the annual general meeting, at The R-M Trust Company, Mall Level, 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2K3.

If you are unable to attend the meeting in person, please complete, sign and date the enclosed form of proxy and return the same in the enclosed return envelope provided for that purpose within the time and to the location set out in the form of proxy accompanying this Notice. If you receive more than one form of proxy because you own shares registered in different names or addresses, each form of proxy should be completed and returned.

DATED this 7th day of April, 1997.

BY ORDER OF THE BOARD



John S. Brock
President

AMERICAN BULLION MINERALS LTD.
15th Floor, 675 West Hastings Street
Vancouver, British Columbia, V6B 1N2

INFORMATION CIRCULAR
(As at April 7, 1997, except as indicated)

PERSONS MAKING THE SOLICITATION

This information circular is furnished in connection with the solicitation of proxies by the management of American Bullion Minerals Ltd. (the "Company") on behalf of the Board of Directors for use at the annual general meeting of the Company to be held on May 14, 1997 and at any adjournments thereof. The solicitation will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by officers and employees of the Company. The cost of solicitation will be borne by the Company.

REVOCABILITY OF PROXY

The persons named as proxyholders in the enclosed form of proxy are directors or officers of the Company.

Any member returning the enclosed form of proxy may revoke the same at any time insofar as it has not been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the member or by his attorney authorized in writing or, if the member is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited at the registered office of the Company, at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, or with the chairman of the meeting on the day of the meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue 100,000,000 common shares without par value (the "common shares"), of which 12,191,498 common shares are issued and outstanding as at April 7, 1997. The holders of common shares are entitled to one vote for each common share held. Holders of common shares of record at the close of business on April 7, 1997 will be entitled to receive notice of and vote at the meeting. The Company has only one class of shares.

To the knowledge of the directors and senior officers of the Company, no person beneficially owns, directly or indirectly, or exercises control or direction over shares carrying more than 10% of the voting rights attached to all shares of the Company.

VOTING OF PROXIES

A MEMBER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A MEMBER) TO ATTEND AND ACT FOR HIM AND ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE ACCOMPANYING FORM OF PROXY. TO EXERCISE THIS RIGHT, THE MEMBER MAY INSERT THE NAME OF THE DESIRED PERSON IN THE BLANK SPACE PROVIDED IN THE PROXY AND STRIKE OUT THE OTHER NAMES OR MAY SUBMIT ANOTHER PROXY.

THE SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED ON ANY BALLOT (SUBJECT TO ANY RESTRICTIONS THEY MAY CONTAIN) IN FAVOUR OF THE MATTERS DESCRIBED IN THE PROXY.

ELECTION OF DIRECTORS

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Member approval will be sought to fix the number of directors of the Company at five.

The Company is required to have an audit committee. Members of this committee are as set out below. There is no executive committee.

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Municipality of Residence and Position	Principal Occupation or employment and, if not a previously elected director, occupation during the past 5 years	Previous Service as a Director	Number of Common Shares beneficially owned or, directly or indirectly, Controlled ²
John S. Brock West Vancouver, B.C. President, Chief Executive Office, Director	Geologist, Director and President of John S. Brock Limited, Columbia Gold Mines Ltd., American Bullion Minerals Ltd., Northern Crown Mines Ltd.	Since May 7, 1990	483,600 ³
Robert A. Dickinson ¹ Vancouver, B.C. Director	Professional Geologist	Since June 11, 1987	Nil
Wayne J. Roberts Coquitlam, B.C. Vice-President of Exploration, Director	Geologist, Vice-President of Exploration for John S. Brock Limited, Columbia Gold Mines Ltd., American Bullion Minerals Ltd., Northern Crown Mines Ltd.	Since May 7, 1990	167,700
Robert E. Swenarchuk ¹ North Vancouver, B.C. Director	President Rescom Consultants Ltd., 1980 to present	Since November 21, 1995	5,650
James E. Yates ¹ North Vancouver, B.C.	Business Executive	Since July 30, 1992	Nil

¹ Member of the audit committee.

² Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at March 31, 1997, based upon information furnished to the Company by individual directors. Unless otherwise indicated, such shares are held directly.

³ Of these shares, 115,800 are held indirectly in the name of John S. Brock Limited, a private company controlled by John S. Brock.

Advance Notice of the meeting was published pursuant to Section 135 of the Company Act (British Columbia) at Vancouver, British Columbia on March 10, 1997.

CORPORATE GOVERNANCE

The Company's Board of Directors is, pursuant to the provisions of the *Company Act* (British Columbia), charged with the responsibility of managing or supervising the management of the affairs and business of the Company. In pursuing that mandate, the Board of Directors has adopted a strategic planning process and risk management system which the Board considers to be appropriate for the Company's business and size. The Board of Directors currently includes two directors who are unrelated (independent of management) under the Corporate Governance Guidelines (the "Guidelines") of the Toronto Stock Exchange (Robert A. Dickinson and James E. Yates). The Company has no shareholder with the ability to exercise a majority of the votes for the election of the Board of Directors. The President of the Company also serves as Chairman of the Board of Directors of the Company. The only directors of the Company who are part of management are John S. Brock, President, Robert E. Swenarchuk, Vice-President Corporate Development, and Wayne J. Roberts, Vice-President of Exploration. Each of the directors has substantial industry experience.

While the Company has an audit committee, the Board of Directors is of the view that, in light of the Company's size and stage of development, neither a nominating, assessment, compensation nor executive committee is required at this time. The Directors of the Company are not compensated in their capacities as such.

The Board of Directors as a whole is cognisant of developing the Company's approach to corporate governance and defining the limits of management's responsibilities. As part of that process, the current Board of Directors meets frequently and regularly receives management reports. Currently, all substantive management decisions require prior approval by the Company's Board of Directors.

EXECUTIVE COMPENSATION

The following table sets forth all annual and long term compensation for services to the Company for the three most recently completed financial years (to the extent required under the Securities Rules), as at December 31, 1996, in respect of the executive officer of the Company (who was the Chief Executive Officer) whose individual total compensation for the most recently completed financial year exceeds \$100,000 ("the Named Executive Officer"). There were no other executive officers of the Company whose individual total compensation exceeded \$100,000 during the financial year ended December 31, 1996.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long Term Compensation			All other Compensation
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Option/SARs granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	
John S. Brock	1996	N/A	N/A	N/A	N/A	N/A	N/A	\$307,797 ¹
President and	1995	N/A	N/A	N/A	N/A	N/A	N/A	\$651,931 ²
CEO	1994	N/A	N/A	N/A	N/A	N/A	N/A	\$417,994 ³

Notes to Compensation Table:

1. The \$307,797 in other compensation represents fees and expenses paid to John S. Brock Limited ("JSB"), a company controlled by John S. Brock, as follows:
 - a) \$31,625 for management fees for services provided to the Company by John S. Brock at the rate of \$550 per diem.
 - b) \$30,494 for services provided to the Company by Wayne J. Roberts at the rate of \$425 per diem.
 - c) \$140,927 for the Company's pro rata share of the administrative head office expenses incurred by JSB on behalf of the Company, which are invoiced to the Company at cost together with a 5% mark-up on salaries of employees of JSB, other than John S. Brock and Wayne J. Roberts.
 - d) \$74,875 for exploration management fees, being equal to 6% of the cost of exploration programs to be carried out for the Company.
 - e) \$29,876 for exploration project field costs at cost together with a 5% mark-up on salaries of employees of JSB other than John S. Brock and Wayne J. Roberts.

2. The \$651,931 in other compensation represents fees and expenses paid to JSB as follows:
 - a) \$59,500 for management fees for services provided to the Company by John S. Brock at the rate of \$500 per diem.
 - b) \$51,281 for services provided to the Company by Wayne J. Roberts at the rate of \$375 per diem.
 - c) \$160,294 for the Company's pro rata share of the administrative head office expenses incurred by JSB on behalf of the Company, which are invoiced to the Company at cost together with a 5% mark-up on salaries of employees of JSB, other than John S. Brock and Wayne J. Roberts.
 - d) \$334,034 for exploration management fees, being equal to 6% of the cost of exploration programs to be carried out for the Company.
 - e) \$46,822 for exploration project field costs at cost together with a 5% mark-up on salaries of employees of JSB, other than John S. Brock and Wayne J. Roberts.

3. The \$417,994 in other compensation represents fees and expenses paid to JSB as follows:
 - a) \$37,500 for management fees for services provided to the Company by John S. Brock at the rate of \$500 per diem.
 - b) \$32,135 for services provided to the Company by Wayne J. Roberts at the rate of \$370 per diem.
 - c) \$103,552 for the Company's pro rata share of the administrative head office expenses incurred by JSB on behalf of the Company, which are invoiced to the Company at cost together with a 5% mark-up on salaries of employees of JSB, other than John S. Brock and Wayne J. Roberts.
 - d) \$244,807 for exploration management fees, being equal to 10% of the cost of exploration programs to be carried out for the Company except for the Red Chris Project in which case the rate is 6%.

Long Term Incentive Plan (LTIP) Awards

The Company does not have a LTIP, pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial performance

or the price of the Company's securities), was paid or distributed to the Named Executive Officer during the most recently completed financial year, other than the options set out below.

**Option/Stock Appreciation Rights ("SAR") Grants during the
most recently completed Financial Year**

There were no stock options granted by the Company during the most recently completed financial year to the Named Executive Officer.

**Aggregated Options/SAR Exercises in Last Financial Year
and Financial Year-End Option/SAR Values**

The following table (presented in accordance with the Securities Rules) sets forth details of all exercises of stock options during the most recently completed financial year by the Named Executive Officer and the financial year-end value of unexercised in-the-money options on an aggregated basis.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options/SAR's at Fiscal Year-End (#) Exercisable/ Unexercisable	Value of Unexercised In-the-Money Options/SAR's at Fiscal Year-End (\$) Exercisable/ Unexercisable
John S. Brock President and CEO	None	Nil	200,000 (1) (Exercisable)	Nil (2)

(1) Stock Option to purchase 200,000 common shares at \$2.75 per share, exercisable until May 30, 1997, and thereafter at \$3.00 per share until May 30, 1998.

(2) Based on the closing price of \$1.40 for the shares of the Company on The Toronto Stock Exchange on December 31, 1996 being the last trading day of the financial year.

Option and SAR Repricings

The Company did not reprice downward any options and/or free standing SAR's during the most recently completed financial year.

Defined Benefit or Actuarial Plan Disclosure

The Company does not have a defined benefit or actuarial plan.

Termination of Employment, Changes in Responsibility and Employment Contracts

The services of John S. Brock, a director, President and Chief Executive Officer of the Company, are provided to the Company pursuant to a management agreement ("Management Agreement") with John S. Brock Limited ("JSB"), a private company controlled by Mr. Brock. JSB receives from the Company a pro rata share of its monthly office administration expenses in consideration for general administrative services. For the year ended December 31, 1996, an aggregate of \$92,910 was paid to JSB for services performed pursuant to the Management Agreement.

Effective July 20, 1995, the Company entered into an investor and corporate relations agreement with Rescom Consultants Ltd. ("Rescom"), a company controlled by Robert Swenarchuk, a director of the

Company. Through Rescom, Mr. Swenarchuk received \$3,000 per month (\$36,000 in total during 1996) as compensation for providing these services to the Company.

The Company has no employment contracts with the Named Executive Officer except as described above.

The Company has no compensatory plan or arrangement in respect of compensation received or that may be received by the Named Executive Officer in the Company's most recently completed or current financial year to compensate such executive officer in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change in control, where in respect of the Named Executive Officer the value of such compensation exceeds \$100,000.

Compensation Committee

The Company does not have a Compensation Committee. The Board of Directors carries out the functions that would be performed by a Compensation Committee. None of the members of the Board has any indebtedness to the Company nor have they any material interest, or have any associates or affiliates which have any material interest, direct or indirect, in any actual or proposed transaction in the last financial year which has materially affected or would materially affect the Company, except as set out elsewhere herein.

Compensation of Directors

The Company has no employment contracts with the Named Executive Officer except for the Management Agreement with JSB described above.

The Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this information circular except as described above.

The Company adopted a formalized stock option plan for the granting of incentive stock options to the officers, employees and directors during 1996. However, the Company did not grant stock options to any of the directors during the most recently completed financial year under the plan or otherwise.

Report on Executive Compensation

The compensation of the Company's executive officers is determined by the Board of Directors. The Board met four times during the last financial year. The Company's executive compensation program consists of an annual base salary or management fee and a longer term component consisting of stock options.

Compensation Philosophy and Determination

The guiding philosophy of the Board in determining compensation for executives is the need to provide a compensation package that is competitive and motivating; will attract, hold and inspire qualified executives; and will encourage performance by executives to enhance the growth and profitability of the Company. Achievement of these objectives would be expected to contribute to an increase in shareholder value. The Board may adopt the use of varied compensation plans to optimize the role of the executive compensation program in balancing the Company's short and long term incentives.

The Board attempts to position its executive compensation at or near the median of the range of compensation levels for comparator companies. The comparator companies are natural resource companies involved in the acquisition, exploration, financing, development and operation of mineral properties.

External consultants, expert in executive compensation practices, conduct surveys to provide competitive data reflecting comparable knowledge, skills and talents and the compensation paid therefor. Variables such as corporate size and earnings and rates of growth all have an influence on compensation levels and are analyzed and considered in setting compensation.

The salary ranges and structure reflect competitive practices in the marketplace in which the Company competes to attract and retain qualified executives.

Base Salary

The Board approves ranges for base salaries for employees at all levels of the Company based on reviews of market data from peer groups, industry and national surveys provided by independent consultants. The level of base salary for each employee within a specified range is determined by the level of past performance, as well as by the level of responsibility and the importance of the position to the Company.

The Board decides upon the base salary to be paid to the President and Chief Executive Officer and to other senior executive officers.

Stock Options

The Company presently has a formalized stock option plan for the granting of incentive stock options to the executive officers, employees or directors. Grants may be made under the plan or outside the plan to executive officers, employees or directors on the basis of the number of options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance.

Chief Executive Officer Compensation

The compensation of the Chief Executive Officer ("CEO") derives from management fees paid to JSB as described above and stock options determined in the manner described in the above discussion of compensation for all executive officers. The Company considers that this compensation positions the CEO within a range based on the CEO's experience and/or performance within the Company and the Industry.

INDEBTEDNESS TO COMPANY OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

There is no indebtedness of any director, executive officer, senior officer, proposed nominee for election as a director or associate of them, to or guaranteed or supported by the Company either pursuant to an employee stock purchase program of the Company or otherwise, during the most recently completed financial year.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

No insider or proposed nominee for election as a director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year or in any proposed transaction which in either such case has materially affected or will materially affect the Company, other than as disclosed under the heading "Executive Compensation".

APPOINTMENT OF AUDITOR

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of Coopers & Lybrand, Chartered Accountants, of 1111 West Hastings Street, British Columbia, as the auditor of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as set out herein, no director or senior officer of the Company or any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the meeting.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Management of the Company is not aware of any matter to come before the meeting other than as set forth in the notice of meeting. If any other matter properly comes before the meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED this 7th day of April, 1997.

BY ORDER OF THE BOARD

"John S. Brock"

John S. Brock
President

American Bullion Minerals Ltd.

(A Development Stage Company)

Financial Statements

For the period from June 11, 1987 (date of incorporation)
to December 31, 1996 and the years ended
December 31, 1996, 1995 and 1994

(expressed in Canadian dollars)

Management's Responsibility for Financial Reporting

The accompanying financial statements of the company have been prepared by management in accordance with accounting principles generally accepted in Canada, and contain estimates based on management's judgement. Management maintains an appropriate system of internal controls to provide assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The Audit Committee of the Board of Directors has met with the company's independent accountants to review the scope and results of the annual audit and to review the financial statements and related financial reporting matters prior to submitting the financial statements to the Board for approval.

The company's independent accountants, Coopers & Lybrand, are appointed by the shareholders to conduct an audit in accordance with generally accepted auditing standards and their report follows.



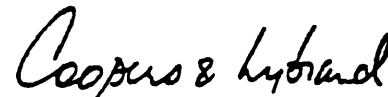
Jeannine P.M. Webb
Chief Financial Officer

Auditors' Report to the Shareholders of American Bullion Minerals Ltd.

We have audited the balance sheets of American Bullion Minerals Ltd. as at December 31, 1996 and 1995 and the statements of loss and deficit, deferred exploration and mineral property expenditures and changes in financial position for the period from June 11, 1987 to December 31, 1996 and for each of the years in the three year period ended December 31, 1996. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1996 and 1995 and the results of its operations and the changes in its financial position for the period from June 11, 1987 to December 31, 1996 and for each of the years in the three year period ended December 31, 1996 in accordance with Canadian generally accepted accounting principles. As required by the British Columbia Company Act, we report that, in our opinion, these principles have been applied on a consistent basis.



Vancouver, Canada
February 28, 1997

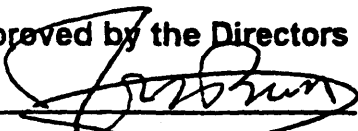

Chartered Accountants

American Bullion Minerals Ltd.

(A Development Stage Company)

Balance Sheets as at December 31, 1996 and 1995

(expressed in Canadian dollars)

	1996 \$	1995 \$
Assets		
Current assets		
Cash and short-term investments	2,301,968	1,621,346
Funds held in escrow	-	1,525,000
Accounts receivable	49,622	300,820
	<u>2,351,590</u>	<u>3,447,166</u>
Reclamation deposits (note 3)	105,000	115,000
Resource assets (notes 2 and 4)	11,642,603	10,475,226
Fixed assets (note 5)	4,653	1,850
	<u>14,103,846</u>	<u>14,039,242</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	41,646	156,533
Due to related party (note 7)	25,145	126,947
	<u>66,791</u>	<u>283,480</u>
Shareholders' equity		
Capital stock (note 6)		
Authorized - 100,000,000 common shares without par value		
Issued - 12,191,498 common shares (1995 - 10,907,312)	16,529,666	12,998,330
Special warrants (note 6(f))	-	2,790,000
Contributed surplus	11,031	11,031
Deficit accumulated during the development stage	<u>(2,503,642)</u>	<u>(2,043,599)</u>
	<u>14,037,055</u>	<u>13,755,762</u>
Approved by the Directors	<u>14,103,846</u>	<u>14,039,242</u>
 Director		
 Director		

The accompanying notes are an integral part of these financial statements.

Coopers
& Lybrand

American Bullion Minerals Ltd.

(A Development Stage Company)

Statements of Loss and Deficit

For the period from June 11, 1987 to December 31, 1996
and the years ended December 31, 1996, 1995 and 1994

(expressed in Canadian dollars)

	Period from	Years ended December 31,		
	June 11, 1987 (date of inception) to December 31,	1996	1995	1994
	1996	1996	1995	1994
	\$	\$	\$	\$
Administration expenses				
Audit	59,205	11,000	10,465	9,351
Bank charges and interest	8,272	620	2,580	3,865
Consulting	175,042	172,000	-	2,667
Depreciation	1,090	370	463	257
Foreign exchange	677	(60)	566	171
Insurance	11,114	2,779	2,561	2,461
Legal	178,495	66,084	10,223	20,519
Management fees	72,500	-	-	-
Office operations	275,400	25,973	109,065	51,093
Office rent	109,716	21,035	28,418	20,816
Salaries and wages	265,902	66,063	83,308	53,336
Shareholder communications	270,150	106,586	73,777	57,400
Transfer agent and stock exchange fees	210,546	99,833	52,335	23,497
Travel and promotion	178,162	7,516	146,651	19,938
	<u>1,816,271</u>	<u>579,799</u>	<u>520,412</u>	<u>265,371</u>
Other expenses (income)				
Write-off of mineral properties	127,235	-	14,186	46,740
Write-off of exploration expenditures	1,020,888	861	92,611	485,379
Interest and other income	(460,752)	(120,617)	(177,085)	(116,031)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Loss for the period	<u>2,503,642</u>	<u>460,043</u>	<u>450,124</u>	<u>681,459</u>
Deficit accumulated during the development stage - beginning of period	<u>-</u>	<u>2,043,599</u>	<u>1,593,475</u>	<u>912,016</u>
Deficit accumulated during the development stage - end of period	<u><u>2,503,642</u></u>	<u><u>2,503,642</u></u>	<u><u>2,043,599</u></u>	<u><u>1,593,475</u></u>
Loss per common share		<u>0.04</u>	<u>0.05</u>	<u>0.11</u>
Weighted average number of common shares outstanding		<u>12,145,785</u>	<u>9,887,531</u>	<u>6,431,752</u>

The accompanying notes are an integral part of these financial statements.

Coopers
& Lybrand

American Bullion Minerals Ltd.

(A Development Stage Company)

Statements of Deferred Exploration and Mineral Property Expenditures

For the period from June 11, 1987 to December 31, 1996

and the years ended December 31, 1996, 1995 and 1994

(expressed in Canadian dollars)

	Period from	Years ended December 31,		
	June 11, 1987 (date of inception) to December 31, 1996	1996	1995	1994
	\$	\$	\$	\$
Exploration expenditures during the period				
Assays and geochemical analysis	538,623	9,118	278,229	176,776
Camp maintenance	554,081	23,664	113,602	363,959
Consulting	1,106,108	381,925	280,696	230,242
Drafting, maps and printing	159,888	22,280	57,354	41,686
Environmental	647,818	377,361	174,484	93,754
Expediting	127,859	35,520	61,225	26,230
Depreciation	353	353	-	-
Drilling	5,200,355	-	3,207,430	1,876,702
Field supplies	270,477	56,663	114,423	79,344
Fuel	57,108	15,496	26,731	9,914
Mine permitting	33,332	4,721	28,611	-
Project management fees	742,515	74,875	334,034	244,807
Property acquisition and maintenance costs	1,450,533	11,145	1,123	1,304,843
Salaries and wages	1,133,587	130,276	538,656	259,837
Surveys	286,194	-	41,942	167,903
Transportation	1,721,818	196,482	639,237	714,432
Trenching and roads	25,390	-	4,187	8,315
Total expenditures during the period	14,056,039	1,339,879	5,901,964	5,598,744
Recovery from government grant	(107,980)	(38,172)	(69,808)	-
Recovery from joint venture partner	(1,157,333)	(133,469)	(590,183)	(433,681)
Net expenditures during the period	12,790,726	1,168,238	5,241,973	5,165,063
Balance - beginning of period	-	10,475,226	5,340,050	707,106
	12,790,726	11,643,464	10,582,023	5,872,169
Less:				
Write-off of mineral properties	127,235	-	14,186	46,740
Write-off of exploration expenditures	1,020,888	861	92,511	485,379
Balance - end of period (note 4)	11,642,603	11,642,603	10,475,226	5,340,050

The accompanying notes are an integral part of these financial statements.

Coopers
& Lybrand

American Bullion Minerals Ltd.

(A Development Stage Company)

Statements of Changes in Financial Position

For the period from June 11, 1987 to December 31, 1996
and the years ended December 31, 1996, 1995 and 1994

(expressed in Canadian dollars)

	Period from	Years ended December 31,		
	June 11, 1987 (date of inception) to December 31, 1996	1996	1995	1994
	\$	\$	\$	\$
Cash provided from (used for)				
Operating activities				
Loss for the period	(2,503,642)	(460,043)	(450,124)	(681,459)
Items not affecting cash -				
Write-off of mineral properties	127,235	-	14,186	46,740
Write-off of exploration expenditures	1,020,888	861	92,611	485,379
Depreciation	1,090	370	463	257
	(1,354,429)	(458,812)	(342,864)	(149,083)
Change in non-cash working capital items -				
Decrease (increase) in accounts receivable	(49,622)	251,198	(108,861)	(169,481)
Increase (decrease) in accounts payable and accrued liabilities	41,646	(114,887)	110,666	20,886
Increase (decrease) in amounts due to related party	25,145	(101,802)	90,956	12,585
	(1,337,260)	(424,303)	(250,103)	(285,093)
Financing activities				
Capital stock issued for cash -				
Financings	8,413,911	-	3,000,000	4,769,650
Flow-through agreements	3,094,222	246,625	581,699	1,260,858
Flow-through reimbursement	(58,778)	-	-	-
Warrants	4,137,127	244,040	3,240,171	652,917
Exercise of stock options	1,008,910	279,450	378,530	216,480
Capital stock issued for -				
Finder's fee	5,600	-	-	-
Property acquisition	983,700	-	-	965,700
Proceeds on sale of repurchased company stock	513,330	-	275,530	237,800
Repurchase of company stock	(677,800)	-	(448,200)	(229,600)
Share issue costs	(879,525)	(28,779)	(287,231)	(557,715)
	16,540,697	741,336	6,740,499	7,316,090

American Bullion Minerals Ltd.

(A Development Stage Company)

Statements of Changes in Financial Position

For the period from June 11, 1987 to December 31, 1996

and the years ended December 31, 1996, 1995 and 1994

(cont'd)

(expressed in Canadian dollars)

	Period from June 11, 1987 (date of inception) to December 31, 1996 \$	Years ended December 31.		
		1996 \$	1995 \$	1994 \$
Investing activities				
Resource properties -				
Exploration and mineral property expenditures, net of depreciation	(14,061,346)	(1,339,526)	(5,901,964)	(5,598,744)
Recovery from joint venture partner	1,157,333	133,469	590,183	433,681
Recovery from government grant	107,980	38,172	69,808	-
Mineral property cost refunded	5,660	-	-	-
Deposit for reclamation permit	(117,500)	-	-	(105,000)
Settlement of reclamation deposits	12,500	10,000	-	-
Purchase of fixed assets	(6,096)	(3,526)	-	(2,570)
	<u>(12,901,469)</u>	<u>(1,161,411)</u>	<u>(5,241,973)</u>	<u>(5,272,633)</u>
Increase (decrease) in cash and short-term investments	2,301,968	(844,378)	1,248,423	1,758,364
Cash and short-term investments - beginning of period	<u>-</u>	<u>3,146,346</u>	<u>1,897,923</u>	<u>139,559</u>
Cash and short-term investments - end of period	<u><u>2,301,968</u></u>	<u><u>2,301,968</u></u>	<u><u>3,146,346</u></u>	<u><u>1,897,923</u></u>
Cash and short-term investments comprises:				
Cash and short-term investments	2,301,968	2,301,968	1,621,346	1,897,923
Funds held in escrow	<u>-</u>	<u>-</u>	<u>1,525,000</u>	<u>-</u>
	<u><u>2,301,968</u></u>	<u><u>2,301,968</u></u>	<u><u>3,146,346</u></u>	<u><u>1,897,923</u></u>

The accompanying notes are an integral part of these financial statements.

Coopers
& Lybrand

American Bullion Minerals Ltd.

(A Development Stage Company)

Notes to Financial Statements

For the period from June 11, 1987 to December 31, 1996

and the years ended December 31, 1996, 1995 and 1994

(expressed in Canadian dollars)

1. Nature of operations

The company is in the business of acquiring and exploring mineral properties and has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for resource assets is dependent upon the existence of economically recoverable reserves, the ability of the company to obtain necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition thereof. The company will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Although the company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

2. Significant accounting policies

Financial statement presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant differences between these principles and those that would be applied under U.S. generally accepted accounting principles are disclosed in note 9.

Cash and short-term investments

Cash and short-term investments include cash and short-term deposits maturing within 90 days of the original date of acquisition. In order to limit its exposure, the company deposits its funds with large financial institutions.

Resource assets

The company records its interests in mineral properties and areas of geological interest at cost less option payments received and other recoveries. Exploration and development costs relating to these interests and projects are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or allowed to lapse. Management reviews the carrying values of resource assets on a regular basis to determine whether any write-downs are necessary. These costs will be amortized over the estimated useful life of the property following commencement of production or written off if the mineral properties or projects are sold or allowed to lapse. General exploration expenditures not related to specific properties are expensed as incurred.

American Bullion Minerals Ltd.

(A Development Stage Company)

Notes to Financial Statements

For the period from June 11, 1987 to December 31, 1996

and the years ended December 31, 1996, 1995 and 1994

(expressed in Canadian dollars)

2. Significant accounting policies (cont'd)

Capital stock

Capital stock issued for non-monetary consideration is recorded at the fair market value on the date the shares were issued, or the date the agreement to issue the shares was entered into, as determined by the Board of Directors of the company, based on the trading price of the shares on the Vancouver Stock Exchange.

The proceeds from common shares issued pursuant to flow-through share financing agreements are credited to capital stock and the tax benefits of the exploration expenditures incurred pursuant to these agreements are transferred to the purchaser of the flow-through shares.

Costs incurred on the issue of common shares are netted against capital stock.

Loss per common share

Loss per common share is calculated using the weighted average number of common shares issued and outstanding during each year, excluding escrow shares. Fully diluted earnings per share are not presented as the exercise of warrants and options would be antidilutive.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Actual results could differ from those reported.

3. Reclamation deposits

At December 31, 1996, term deposits of \$105,000 (1995 - \$115,000) have been pledged to the British Columbia Ministry of Employment and Investment as security for reclamation permits. At the present time, costs related to camp, equipment removal and site reclamation cannot be reasonably determined.

American Bullion Minerals Ltd.

(A Development Stage Company)

Notes to Financial Statements

For the period from June 11, 1987 to December 31, 1996

and the years ended December 31, 1996, 1995 and 1994

(expressed in Canadian dollars)

4. Resource assets

			1996
	Cost of mineral properties \$	Deferred exploration expenditures \$	Total \$
Red Chris (Liard Mining Division)	1,313,019	10,238,146	11,551,165
Bonanza (Vancouver Mining Division)	15,000	76,438	91,438
	<u>1,328,019</u>	<u>10,314,584</u>	<u>11,642,603</u>
			1995
	Cost of mineral properties \$	Deferred exploration expenditures \$	Total \$
Red Chris (Liard Mining Division)	1,297,153	9,086,635	10,383,788
Bonanza (Vancouver Mining Division)	15,000	76,438	91,438
	<u>1,312,153</u>	<u>9,163,073</u>	<u>10,475,226</u>

- (a) In January 1994, the company entered into an agreement with Falconbridge Limited (Falconbridge), Teck Corporation (Teck) and Norcen Energy Resources Limited (Norcen) to acquire an 80% interest in the Red Chris gold-copper deposit located near Iskut, British Columbia.

Falconbridge and Norcen sold a combined 80% interest in the property to the company for cash consideration of \$268,000 and 666,000 units of the company at an ascribed value of \$965,700. Each unit consisted of one share and a 24-month warrant for the purchase of one additional share at a price of \$1.00 per share in the first year and \$1.15 during the second year. All warrants were exercised during 1995 for a total consideration of \$741,000. Falconbridge retains a 1.8% net smelter return royalty in the property, which may be reduced to 1% in consideration for a \$1 million payment. Upon commencement of commercial production, the company will issue an additional 150,000 common shares to Norcen.

During 1996, the company was notified by Teck that Teck had elected not to proceed with the option of providing 100% of all future financing required to bring the property to commercial production. In accordance with the agreement, the company may now elect to proceed, as operator and at its cost, with a final feasibility report. Teck retains a 10% participating joint venture interest and a 10% net profit interest in the property.

American Bullion Minerals Ltd.

(A Development Stage Company)

Notes to Financial Statements

For the period from June 11, 1987 to December 31, 1996

and the years ended December 31, 1996, 1995 and 1994

(expressed in Canadian dollars)

4. Resource assets (cont'd)

- (b) During the year ended December 31, 1995, the company allowed the Maple Leaf claims to lapse and has written off the cost of mineral properties and deferred exploration costs amounting to \$14,186 and \$92,611, respectively.
- (c) During the year ended December 31, 1996, the company received a grant amounting to \$42,413 (1995 - \$77,564) from the Explore B.C. Program for expenditures related to 1995 and 1994, respectively. The proceeds are reflected as a deduction from deferred exploration expenditures, net of the 10% portion attributable to Teck.

5. Fixed assets

	1996 \$	1995 \$
Office and field equipment	6,096	2,570
Less: accumulated depreciation	<u>1,443</u>	<u>720</u>
Net book value	<u><u>4,653</u></u>	<u><u>1,850</u></u>

American Bullion Minerals Ltd.

(A Development Stage Company)

Notes to Financial Statements

For the period from June 11, 1987 to December 31, 1996
and the years ended December 31, 1996, 1995 and 1994

(expressed in Canadian dollars)

6. Capital stock

Authorized -

100,000,000 common shares without par value

	Price per share \$	Number of shares	Amount \$
Total issued and outstanding - December 31, 1993		4,148,443	1,742,772
Issued during 1994 -			
For exercise of stock options	0.86	100,000	86,000
	1.11	18,000	19,980
	0.64	40,000	25,600
	0.86	20,000	17,200
	0.61	20,000	12,200
	1.85	30,000	55,500
For exercise of flow-through warrants	0.85	353,600	300,560
For flow-through agreement	2.15	446,650	960,298
For exercise of warrants	1.28	17,500	22,400
	2.15	162,790	349,999
	2.25	91,279	205,378
	0.85	88,400	75,140
For property acquisition	1.45*	666,000	965,700
For private placement	2.15	1,878,930	4,039,700
	1.28	500,000	640,000
	2.57	35,000	89,950
Less: share issue costs		-	(557,715)
Total issued and outstanding - December 31, 1994 (carried forward)		8,616,592	9,050,662

American Bullion Minerals Ltd.

(A Development Stage Company)

Notes to Financial Statements

For the period from June 11, 1987 to December 31, 1996
and the years ended December 31, 1996, 1995 and 1994

(expressed in Canadian dollars)

6. Capital stock (cont'd)

	Price per share \$	Number of shares	Amount \$
Total issued and outstanding - December 31, 1994 (brought forward)		8,616,592	9,050,662
Issued during 1995 -			
For exercise of stock options	1.85	25,000	46,250
	0.61	100,000	61,000
	2.13	10,000	21,300
	2.58	50,000	129,000
	2.78	11,000	30,580
	2.26	40,000	90,400
For exercise of flow-through warrants	2.25	106,755	240,199
	2.58	50,000	129,000
	2.50	85,000	212,500
For exercise of warrants	1.00	166,000	166,000
	1.15	500,000	575,000
	1.28	250,000	320,000
	2.25	798,965	1,797,671
	2.30	130,000	299,000
	2.50	33,000	82,500
Less: share issue costs		-	(77,232)
Issued and allotted - December 31, 1995		10,972,312	13,173,830
Shares repurchased, net of those resold (note 6(e))		(65,000)	(175,500)
Total issued and outstanding - December 31, 1995		10,907,312	12,998,330
Issued during 1996 -			
For exercise of stock options	2.58	25,000	64,500
	2.85	35,000	99,750
	3.84	30,000	115,200
For exercise of flow-through stock options	2.58	65,000	167,700
For exercise of flow-through warrants	2.50	31,570	78,925
For exercise of warrants	2.50	97,616	244,040
For special warrants	3.00	1,000,000	3,000,000
Less: share issue costs		-	(238,779)
Issued and outstanding - December 31, 1996		12,191,498	16,529,666

* Value ascribed.

At December 31, 1996, the company had no shares held in escrow (1995 - nil; 1994 - nil).

American Bullion Minerals Ltd.

(A Development Stage Company)

Notes to Financial Statements

For the period from June 11, 1987 to December 31, 1996
and the years ended December 31, 1996, 1995 and 1994

(expressed in Canadian dollars)

6. Capital stock (cont'd)

- (a) During 1994, the company issued a total of 4,468,149 common shares for a total of \$7,865,604 as follows:

	Flow-through common shares	Common shares	Total	Flow-through common shares \$	Common shares \$	Total \$
Private placement -						
May 1994	446,650	1,878,930	2,325,580	960,298	4,039,700	4,999,998
April 1994	-	535,000	535,000	-	729,950	729,950
	<u>446,650</u>	<u>2,413,930</u>	<u>2,860,580</u>	<u>960,298</u>	<u>4,769,650</u>	<u>5,729,948</u>
Warrants exercised	353,600	359,969	713,569	300,560	652,916	953,476
Stock options						
exercised	-	228,000	228,000	-	216,480	216,480
Property acquisition	-	666,000	666,000	-	965,700	965,700
	<u>800,250</u>	<u>3,667,899</u>	<u>4,468,149</u>	<u>1,260,858</u>	<u>6,604,746</u>	<u>7,865,604</u>

- (b) In April 1994, through a private placement, the company issued 500,000 units at \$1.28 and 35,000 units at \$2.57. Each unit consisted of one share and one non-transferable share purchase warrant. Each warrant entitled the holder to purchase one common share at \$1.28 until April 8, 1995. All warrants were exercised prior to the expiry date.
- (c) In May 1994, through a private placement, the company issued 2,325,580 special warrants convertible into 2,325,580 units for a total consideration of \$4,999,998. Each unit consisted of one common share of the company and one non-transferable share purchase warrant. Each two warrants entitled the holder to one common share of the company at \$2.25 from May 27, 1994 to May 26, 1995, and at \$2.50 from May 27, 1995 to May 26, 1996. As at December 31, 1996, 2,325,580 shares had been issued on the exercise of the special warrants, 162,790 had been issued to the agent as commission, and 1,244,185 shares had been issued on the exercise of the underlying warrants. Of the special warrants exercised, 446,650 were eligible as flow-through shares, and 223,325 were eligible as flow-through shares on the exercise of the underlying warrant.

American Bullion Minerals Ltd.

(A Development Stage Company)

Notes to Financial Statements

For the period from June 11, 1987 to December 31, 1996

and the years ended December 31, 1996, 1995 and 1994

(expressed in Canadian dollars)

6. Capital stock (cont'd)

- (d) During 1995, the company issued a total of 2,355,720 common shares for a total of \$4,200,400 as follows:

	Flow-through common shares	Common shares	Total	Flow-through common shares \$	Common shares \$	Total \$
Warrants exercised	191,755	1,877,965	2,069,720	452,699	3,240,171	3,692,870
Stock options exercised	<u>50,000</u>	<u>236,000</u>	<u>286,000</u>	<u>129,000</u>	<u>378,530</u>	<u>507,530</u>
	<u>241,755</u>	<u>2,113,965</u>	<u>2,355,720</u>	<u>581,699</u>	<u>3,618,701</u>	<u>4,200,400</u>

- (e) In July 1995, the company purchased 166,000 of its own shares at a total cost of \$448,200. At December 31, 1995, the company had resold 101,000 shares for \$275,530. The gain of \$2,830 on the transaction has been credited to contributed surplus. At December 31, 1996, 65,000 of the purchased shares had been cancelled, and the cost of \$175,500 relating to those shares had been deducted from capital stock.
- (f) In September 1995, the company completed a private placement of 1,000,000 special warrants. Each special warrant, priced at \$3.00, was exchangeable for one common share in the capital stock of the company. Fifty percent of the funds received from the private placement (\$1,500,000), net of the agent's commission (\$210,000), were released to the company in September 1995. The remaining funds (\$1,500,000) were held in an interest bearing escrow account, and were released to the company upon final approval of the prospectus on January 31, 1996. As at December 31, 1996, 1,000,000 common shares had been issued on the exercise of the special warrants and 100,000 agents' warrants exchangeable for 1 common share of the company at \$2.50 per share (expiring March 27, 1997) remained outstanding.

American Bullion Minerals Ltd.

(A Development Stage Company)

Notes to Financial Statements

For the period from June 11, 1987 to December 31, 1996

and the years ended December 31, 1996, 1995 and 1994

(expressed in Canadian dollars)

6. Capital stock (cont'd)

(g) During 1996, the company issued a total of 1,284,186 common shares for a total of \$3,770,115 as follows:

	Flow-through common shares	Common shares	Total	Flow-through common shares \$	Common shares \$	Total \$
Warrants exercised	31,570	97,616	129,186	78,925	244,040	322,965
Stock options exercised	65,000	90,000	155,000	167,700	279,450	447,150
Special warrants	-	1,000,000	1,000,000	-	3,000,000	3,000,000
	<u>96,570</u>	<u>1,187,616</u>	<u>1,284,186</u>	<u>246,625</u>	<u>3,523,490</u>	<u>3,770,115</u>

(h) As at December 31, 1994, options granted to directors and employees to purchase common shares of the company were outstanding as follows:

Number of shares	Price per share \$	Date granted	Expiry date
100,000	0.96	July 27, 1992	July 27, 1997
100,000	0.61	September 7, 1993	September 7, 1998
20,000	2.30	March 23, 1994	March 23, 1999
235,000	1.85	July 21, 1994	July 21, 1999
10,000	2.13	August 17, 1994	August 17, 1999
3,000	2.64	December 19, 1994	December 19, 1999
<u>468,000</u>			

American Bullion Minerals Ltd.

(A Development Stage Company)

Notes to Financial Statements

For the period from June 11, 1987 to December 31, 1996
and the years ended December 31, 1996, 1995 and 1994

(expressed in Canadian dollars)

6. Capital stock (cont'd)

- (i) As at December 31, 1995, options granted to directors and employees to purchase common shares of the company were outstanding as follows:

Number of shares	Price per share \$	Date granted	Expiry date
100,000	0.96	July 27, 1992	July 27, 1997
20,000	2.30	March 23, 1994	March 23, 1999
200,000	1.85	July 21, 1994	July 21, 1999
40,000	2.18	February 6, 1995	February 6, 2000
25,000	2.58	May 30, 1995	May 30, 1996
505,000	2.58*	May 30, 1995	May 30, 1998
35,000	2.85	July 19, 1995	July 19, 1997
115,000	3.84	November 21, 1995	November 21, 2000
<u>1,040,000</u>			

- * The price per share of these options, which relate to flow-through shares, varies as follows:

\$ 2.58 for the period from May 30, 1995 to May 30, 1996

\$ 2.75 for the period from May 31, 1996 to May 30, 1997

\$ 3.00 for the period from May 31, 1997 to May 30, 1998

- (j) As at December 31, 1996, options granted to directors and employees to purchase common shares of the company were outstanding as follows:

Number of shares	Price per share \$	Date granted	Expiry date
100,000	0.96	July 27, 1992	July 27, 1997
20,000	2.30	March 23, 1994	March 23, 1999
200,000	1.85	July 21, 1994	July 21, 1999
40,000	2.18	February 6, 1995	February 6, 2000
440,000	2.75*	May 30, 1995	May 30, 1998
80,000	3.84	November 21, 1995	November 21, 2000
10,000	1.42	October 24, 1996	October 24, 2001
<u>890,000</u>			

- * The price per share of these options, which relate to flow-through shares, varies as follows:

\$ 2.75 for the period from May 31, 1996 to May 30, 1997

\$ 3.00 for the period from May 31, 1997 to May 30, 1998

American Bullion Minerals Ltd.

(A Development Stage Company)

Notes to Financial Statements

For the period from June 11, 1987 to December 31, 1996
and the years ended December 31, 1996, 1995 and 1994

(expressed in Canadian dollars)

7. Related party transactions

The company has agreements with the following:

- John S. Brock Limited, a company controlled by the President of the company (70%) and the Vice-President, Exploration of the company (30%)
- Rescom Consultants Ltd., a company controlled by the Vice-President, Corporate Development of the company.

Under the management agreements with John S. Brock Limited, the company pays the following:

- cost of operations and administration - \$170,803 (1995 - \$207,116; 1994 - \$103,552)
- fees of professional services provided by John S. Brock as President - \$31,625 (1995 - \$59,500; 1994 - \$37,500), and Wayne J. Roberts as Vice-President, Exploration - \$30,494 (1995 - \$51,281; 1994 - \$32,135)
- exploration services and project management fees, calculated at 6% of exploration costs - \$74,875 (1995 - \$334,034; 1994 - \$244,807).

Amounts payable to John S. Brock Limited at December 31, 1996 totalled \$25,145 (1995 - \$126,947).

Under the agreement with Rescom Consultants Ltd., the company pays for the corporate development and investor relations services provided by Robert E. Swenarchuk, as Vice-President, Corporate Development - \$36,000 (1995 - \$17,000; 1994 - \$nil).

Under an agreement with V&J Development Ltd., which has one director in common with the company, the company paid for investor relations services - \$nil (1995 - \$16,000; 1994 - \$16,500). This contract was terminated in August 1995.

8. Income Taxes

During the company's operating history, it has renounced a total of approximately \$3,035,443 (1995 - \$2,788,818; 1994 - \$2,207,120) of Canadian exploration expenditures, which will not be deductible by the company for income tax purposes.

At December 31, 1996, the company has approximately \$1,600,000 of losses carried forward, approximately \$8,500,000 of Canadian exploration expenditures and approximately \$1,450,000 of Canadian development expenditures which can be used to offset future taxable income. The loss carryforwards of \$1,600,000 (1995 - \$1,197,000; 1994 - \$694,000) expire at various times from 1997 to 2003. The potential future benefit of these losses has not been recorded.

American Bullion Minerals Ltd.

(A Development Stage Company)

Notes to Financial Statements

For the period from June 11, 1987 to December 31, 1996

and the years ended December 31, 1996, 1995 and 1994

(expressed in Canadian dollars)

9. Differences between Canadian and U.S. generally accepted accounting principles

Statements of changes in financial position

Under Canadian GAAP, the issue of stock for the acquisition of property is recorded as a financing and investing activity. However, under U.S. GAAP, these non-cash financing and investing activities are excluded from the statements of changes in financial position and shown in a separate schedule.

	Period from June 11, 1987 (date of inception) to December 31, 1996 \$	Years ended December 31,		
		1996 \$	1995 \$	1994 \$
Financing activities - under Canadian GAAP	16,540,697	741,336	6,740,499	7,316,090
Capital stock issued -				
For property acquisition	(983,700)	-	-	(965,700)
For finder's fee	(5,600)	-	-	-
Financing activities - under U.S. GAAP	<u>15,551,397</u>	<u>741,336</u>	<u>6,740,499</u>	<u>6,350,390</u>
Investing activities - under Canadian GAAP	12,901,469	1,161,411	5,241,973	5,272,633
Acquisition of mineral properties	<u>(989,300)</u>	<u>-</u>	<u>-</u>	<u>(965,700)</u>
Investing activities - under U.S. GAAP	<u>11,912,169</u>	<u>1,161,411</u>	<u>5,241,973</u>	<u>4,306,933</u>

American Bullion Minerals Ltd.

(A Development Stage Company)

Notes to Financial Statements

For the period from June 11, 1987 to December 31, 1996
and the years ended December 31, 1996, 1995 and 1994

(expressed in Canadian dollars)

9. Differences between Canadian and U.S. generally accepted accounting principles (cont'd)

Income taxes

Under Statement of Financial Accounting Standards No. 109, the company would be required to recognize an income tax asset arising from the benefit of losses carried forward. This asset has been reduced to \$nil through the application of a valuation allowance.

Under U.S. GAAP, flow-through shares would be tax affected giving rise to a credit to deferred income taxes and a debit to mineral properties. This would result in a corresponding reduction in the valuation allowance with the resulting credit being allocated against mineral properties. At December 31, 1996, there would be no net deferred taxes recognized.

Stock options

The company follows the recommendations of APB Opinion No. 25 in accounting for stock options.

Balance sheets and statements of loss and deficit

There are no significant material differences between U.S. and Canadian GAAP with regard to the balance sheets and the statements of loss and deficit.

In addition, loss per share as calculated by U.S. GAAP would not differ materially from that disclosed under Canadian GAAP.



INSTRUCTIONS

This report is to be filed by Exchange Issuers within 60 days of the end of their first, second and third fiscal quarters and within 140 days of the end of their fourth fiscal quarter. Three schedules (typed) are to be attached to this report as follows:

3. As at the end of the quarter:

- (a) Particulars of authorized capital and summary of shares issued and outstanding.
- (b) Summary of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date.
- (c) Total number of shares in escrow or subject to a pooling agreement.
- (d) List of directors.

SCHEDULE A: FINANCIAL INFORMATION

Financial information prepared in accordance with generally accepted accounting principles for the fiscal year-to-date, with comparative information for the corresponding period of the preceding fiscal year. This financial information should consist of the following:

For the first, second and third fiscal quarters:

An interim financial report presented in accordance with Section 1750 of the C.I.C.A. Handbook. This should include a summary income statement (or a statement of deferred costs) and a statement of changes in financial position. A summary balance sheet is also to be provided.

For the fourth fiscal quarter (year end):

Annual audited financial statements.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below is to be provided when not included in Schedule A.

1. For the current fiscal year-to-date:

Breakdown, by major category, of those expenditures and costs which are included in the deferred costs, exploration and development expenses, cost of sales or general and administrative expenses set out in Schedule A. State the aggregate amount of expenditures made to parties not at arm's length from the issuer.

2. For the quarter under review:

- (a) Summary of securities issued during the period, including date of issue, type of security (common shares, convertible debentures, etc.), type of issue (private placement, public offering, exercise of warrants, etc.) number, price, total proceeds, type of consideration (cash, property, etc.) and commission paid.
- (b) Summary of options granted, including date, number, name of optionee, exercise price and expiry date.

SCHEDULE C: MANAGEMENT DISCUSSION

Review of operations in the quarter under review and up to the date of this report, including brief details of any significant event or transaction which occurred during the period. The following list can be used as a guide but is not exhaustive:

Acquisition or abandonment of resource properties, acquisition of fixed assets, financings and use of proceeds, management changes, material contracts, material expenditures, transactions with related parties, legal proceedings, contingent liabilities, default under debt or other contractual obligations, special resolutions passed by shareholders.

Specifically, the management discussion must include:

- (a) disclosure of and reasons for any material differences in the actual use of proceeds from the previous disclosure by the issuer regarding its intended use of proceeds; and
- (b) a brief summary of the investor relations activities undertaken by or on behalf of the issuer during the quarter and disclosure of the material terms of any investor relation arrangements or contracts entered into by the issuer during the quarter.

Freedom of Information and Protection of Privacy Act
The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Securities Act*. Questions about the collection or use of this information can be directed to the Supervisor, Statutory Filings (604-660-4890), 1100 - 865 Hornby Street, Vancouver, British Columbia V6Z 2H4. Toll Free in British Columbia 1-800-373-6393

ISSUER DETAILS

NAME OF ISSUER AMERICAN BULLION MINERALS LTD.	FOR QUARTER ENDED DEC 31/96	DATE OF REPORT 97 03 31
---	---------------------------------------	-----------------------------------

ISSUER'S ADDRESS
1500 - 675 West Hastings Street

CITY Vancouver	PROVINCE BC	POSTAL CODE V 6 B 1 N 2	ISSUER FAX NO. 687-4991	ISSUER TELEPHONE NO. 687-4951
CONTACT PERSON John S. Brock		CONTACT'S POSITION President		CONTACT TELEPHONE NO. 687-4951

CERTIFICATE

The three schedules required to complete this Quarterly Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Quarterly Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE 	PRINT FULL NAME John S. Brock	DATE SIGNED 97 03 31
DIRECTOR'S SIGNATURE 	PRINT FULL NAME Wayne J. Roberts	DATE SIGNED 97 03 31

AMERICAN BULLION MINERALS LTD.
SCHEDULE B
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1995
(PREPARED BY MANAGEMENT WITHOUT AUDIT)

Non Arm's Length Expenditures

The Company has agreements with the following:

- John S. Brock Limited, a company controlled by the President of the Company (70%) and the Vice-President, Exploration of the Company (30%);
- Rescom Consultants Ltd., a company controlled by the Vice-President, Corporate Development of the Company.

Under the management agreements with John S. Brock Limited, the Company pays for the following:

- Cost of operations and administration - \$170,803;
- Fees for professional services provided by John S. Brock as President - \$31,625, and Wayne J. Roberts as Vice-President, Exploration - \$30,494;
- Exploration Services and Project Management fees, calculated at 6% of exploration costs - \$74,875.

Under the agreement with Rescom Consultants Ltd., the Company pays for the following:

- Corporate development and investor relations services provided by Robert E. Swenarchuk, as Vice-President, Corporate Development - \$36,000.

Securities Issued During the Period - Nil

Options Issued During the Period

	Date of Option	Expiry Date	\$/share	# of Shares
Heather Ball	Oct 24/96	Oct 24/01	\$1.42	10,000

Share Capital

Common shares without par value - authorized 100,000,000

Common shares without par value - issued and outstanding 12,191,498

Outstanding Directors and Employee Stock Options

	Date of Option	Expiry Date	\$/share	# of Shares
Directors' Options				
John S. Brock	May 30/96 or May 31/97	May 30/97 May 31/98	\$2.75 \$3.00	200,000
James Yates	May 30/96 or May 31/97	May 30/97 May 31/98	\$2.75 \$3.00	100,000
Robert Dickinson	May 30/96 or May 31/97	May 30/97 May 31/98	\$2.75 \$3.00	75,000
Robert Dickinson	July 21/94	July 21/99	\$1.85	100,000
Robert Swenarchuk	Nov 21/95	Nov 21/00	\$3.84	25,000
Employees' Options				
Wayne J. Roberts	May 30/96 or May 31/97	May 30/97 May 31/98	\$2.75 \$3.00	150,000
Wayne J. Roberts	July 27/95	July 27/97	\$0.96	100,000
Jeannine P. M. Webb	May 30/96 or May 31/97	May 30/97 May 31/98	\$2.75 \$3.00	15,000
Jeannine P. M. Webb	Mar 23/94	Mar 23/99	\$2.30	20,000
Gordon Allen	Feb 6/95	Feb 6/00	\$2.18	20,000
Brian Thurston	Feb 6/95	Feb 6/00	\$2.18	20,000
Brent Bagshaw	Nov 21/95	Nov 21/00	\$3.84	15,000
Bette Geddes	Nov 21/95	Nov 21/00	\$3.84	35,000
Tanja Wiggs	Nov 21/95	Nov 21/00	\$3.84	5,000
Heather Ball	Oct 24/96	Oct 24/01	\$1.42	10,000

Outstanding Warrants

	Expiry Date	No of warrants	\$/share	No of share
Agents' warrants - Sept 22/95	Mar 22/97	100,000	\$2.50	100,000

Convertible Securities - NilEscrowed and Pooled Shares - NilDirectors of the Company

John S. Brock	West Vancouver, BC
Wayne J. Roberts	Coquitlam, BC
Robert A. Dickinson	West Vancouver, BC
James Yates	North Vancouver, BC
Robert E. Swenarchuk	North Vancouver, BC

**AMERICAN BULLION MINERALS LTD.
MANAGEMENT DISCUSSION**

FOR THE PERIOD OCTOBER 1 TO DECEMBER 31, 1996
(FOURTH QUARTER)

EXPLORATION/DEVELOPMENT ACTIVITY

The Company continued with environmental surveying and monitoring work at the site of its Red Chris copper-gold deposit in Northern British Columbia. This work is being carried out in accordance with guidelines stipulated by the provincial government as part of the process for application for a mine development certificate.

In July of 1996, Teck Corporation elected not to immediately proceed with completion of final feasibility at the Red Chris Project. Since that time, Teck have maintained their 20 percent joint venture interest in the Red Chris by paying 10 percent of on-going expenditures.

By way of a financial advisory agreement, Deutsche Morgan Grenfell Canada Ltd. was providing assistance in securing offers for purchase or acquisition of issued and outstanding common shares of American Bullion. One offer was received, but being less than current market value, was rejected by the Company's Board of Directors. The Company and Deutsche Morgan Grenfell decided not to extend the terms of advisory agreement as at March 27, 1997.

As the Company moves into 1997, plans call for a complete re-evaluation of the Red Chris Project. The Company also proposes to seek participation in additional mineral exploration ventures. Advanced stage base and precious metals projects will receive consideration for acquisition.

CORPORATE AND ADMINISTRATIVE ACTIVITY

Normal course administrative functions were completed during the quarter with expenditures (inclusive of shareholder communication expenses) totaling 52,335. Expenditures for the twelve months ending December 31 total 579,799, which amount is 392,450 under budget for the year. On November 11, 1996 Mr. John Heathcote resigned as a member of the Board of Directors of the Company.

CORPORATE DEVELOPMENT ACTIVITY

The Company's investor relations activity is included within its Corporate Development Department. During the fourth quarter, no material reports to shareholders were published.

Communication was maintained with broker-related mining analysts and institutional fund-managers. No research bulletins were published.

Corporate Development (shareholder communication) expenditures for the fourth quarter in the amount of \$16,334 are detailed below. Corporate Development expenditures for the twelve months ending December 31 total \$106,586, which amount is approximately \$94,300 under budget for the year.

CORPORATE DEVELOPMENT EXPENDITURES (OCTOBER 1 - DECEMBER 31, 1996)

ADVERTISING	0
ENTERTAINMENT	0
CONTRACTS	7,704
CONVENTIONS	0
DUES & SUBSCRIPTIONS	0
CDN CORP. NEWS	0
PARKING	0
POSTAGE	99
PRINTING	1,288
PHOTOCOPYING	84
SALARIES	6,229
STATIONERY	0
PHONE	800
FAX	9
COURIER	121
TRAVEL	0
	\$16,334

TSE Trading Symbol: "ABP"

**November 14, 1997
For Immediate Release**

ABP HIRES VP, MINING AND APPOINTS SENIOR REVIEW BOARD

Vancouver, Canada – The Board of Directors of American Bullion Minerals Ltd. ("ABP") is very pleased to announce the appointment of Scott Broughton, P.Eng. to Vice President – Mining, and to announce the appointment of a Senior Review Board to the Company.

Scott is a professional mining engineer with a strong background in feasibility level studies, costing and project management with experience on a number of mining projects in Canada and internationally. Scott will be responsible for managing and directing all aspects of the Company's operations related to ABP's primary asset, the Red Chris Project. The Red Chris is a large copper/gold porphyry deposit located near Iskut, in Northern B.C., which has been the focus of extensive previous exploration and pre-feasibility work.

The Company will carry out new detailed engineering studies to re-cast it as a smaller tonnage/ higher grade operation utilising innovative yet practical approaches to mining the proven deposit. A plan to design the project with development costs which are dramatically less than outlined by previous studies is likely to result from this work.

The Senior Review Board is to meet regularly to review the project work and assist the Company in producing an authoritative plan and report of high industry standard. The Senior Review Board includes the following members:

Mr. Norman Anderson, P.Eng. – has over 44 years of experience in the mining industry, including having had total responsibility for Cominco's business as Chairman and CEO of that company. He has also held executive positions with International Corona Corporation, Fording Coal, and Amax Inc. during his distinguished career.

Mr. Donald Barker, P.Eng. – has over 28 years of experience in engineering and operation of a number of open pit and underground mines. He has worked as Superintendent of Mine Engineering for Petro Canada Coal Division, and previously for Fording Coal. Mr. Barker has also been Chief Engineer and Mine Superintendent for Granisle Copper and worked at the Ingerbelle Copper mine for Similkameen Mining.

Mr. C.O. Brawner, P.Eng. – has over 44 years of experience as a Specialist Geotechnical Engineer, focusing a significant portion of his career on mining projects. He has acted as senior review on over 38 surface mine stability projects and over 16 underground mine stability projects around the world. Mr. Brawner has held a variety of senior review consulting assignments including Chairman of Syncrude's Geotechnical Review Board.

Mr. Roger Taylor, P.Eng. - has over 42 years of experience in the mining industry during which he held the position of President – Copper Division of Cominco Ltd. and was involved in the acquisition of Bethlehem Copper and in joint venture negotiations with Lornex leading to the creation of Highland Valley Copper. He was also President and CEO of Zapata Granby and was responsible for all of that company's BC copper mines. Mr. Taylor was also Mine Manager of the Granisle Copper Mine.

- ### -

Company contacts:

Charles H. Wills, President
Telephone: 604-622-4400
Facsimile: 604-622-4444

Investor Relations
Telephone: 1-800-403-2940

TSE Trading Symbol: "ABP"

November 19, 1997
For Immediate Release

Red Chris Project Scoping Study Received

Vancouver, Canada – Mr. Charles Wills, President of American Bullion Minerals Ltd. ("ABP") is pleased to announce that the Company has received a report by D.J. Barker and Associates Inc. "Red Chris Project – Scoping Study".

The Study provides new technical insight for the project and proposes the Red Chris be re-cast as a smaller, higher grade project that benefits from unique opportunities to reduce mining costs. In combination, realizing these characteristics will yield superior cash costs for both Copper and Gold production. In summary, the report describes the following positive attributes for the new mine plan;

- The Red Chris ore zone comprises a high-grade core which can be selectively mined to generate improved head grades and improved scheduling than that considered in previous plans. This new plan focuses on mining ore with average estimated grades of **0.46% Copper and 0.38 g/t Gold** at a mining rate of approximately 30,000 tpd. An estimated **210 million tonnes** of ore from the large Red Chris resource would be mined during a twenty year mine life in this plan.
- A unique topographic advantage exists at the site which provides a practical and innovative approach to mining the deposit - ore and waste would be mined and drawn through ore and waste passes to lower elevations. By negating the need for conventional truck and shovel operations, mine operating costs are estimated to be reduced by 40%.
- The new mine plan provides strategic opportunities to increase overall pit wall angles, through the elimination of wide haulage ramps that would otherwise be required and by enhancing pit wall stability through drainage of the rock mass. This refinement significantly reduces the amount of waste rock to be mined, yielding better project economics and environmental options.
- The Scoping Study also considers the selection of a 30,000 tpd mill and other capital infrastructure requirements as superior to previous plans. Overall the focus of the new plan is to produce significant reductions in pre-production development costs, capital costs, mine operating costs, and profitability at current commodity prices.

In his report, Mr. Barker, P.Eng. estimates that the new project could operate with cash costs of approximately US\$ 0.45 per lb. for Copper and US\$ 145 per oz. for Gold, for the 210 million tonne drill proven resource outlined above. Under this plan, the mine would contain in excess of 2.2 Billion lbs. of Copper and 2.5 Million oz. of Gold.

As a result of the Scoping Study, the Company will immediately carry out engineering and design studies on the new plan to a pre-feasibility level of detail. The work will be carried out by ABP and will be reviewed and guided by its Senior Review Board. Members of the Senior Review Board include; Mr. N. Anderson, P.Eng., Mr. D. Barker, P.Eng., Mr. C.O. Brawner, P.Eng., and Mr. R. Taylor, P.Eng.

Mr. Donald Barker is a Mining Engineer with over 28 years of experience in engineering and mine operations. D.J. Barker and Associates Inc. is based in Vancouver and specializes in mine design assessments and feasibility studies. Copies of the Red Chris Scoping Study report are available from the Company upon request.

- ### -

Company contacts:

Charles H. Wills, President
Telephone: 604-622-4400
Facsimile: 604-622-4444

Investor Relations
Telephone: 1-800-403-2940



AMERICAN BULLION MINERALS LTD.

Suite 975, 625 Howe Street
Vancouver, BC Canada V6C 2T6

Information Package for American Bullion Minerals Ltd.

Thank you for your interest in American Bullion Minerals Ltd. (ABP). It has been an eventful and exciting year so far and we anticipate more positive developments as the year progresses.

In this package you will find financial statements, news releases, corporate summaries, mission and objective statements, monthly management summaries and two individual pages. One page is the original offering advertisement for the Mountain View Property in Hawaii and the other is an excerpt from The Mining Journal describing a porphyry copper-gold deposit in Peru, South America.

In the Mountain View advertisement, note the suggested minimum bid – it is almost US\$2.3 million more than ABP paid to acquire the property. As is outlined in more detail in the enclosed materials, these unique acquisition circumstances created a rare profit opportunity for the Investment Division.

The article drawn from the July 11, 1997 Mining Journal describes the Cerro Corona Deposit, recently sold by the Gubbins family. This mine was conditionally purchased for approximately US\$36 million by RGC Ltd. of Australia. ABP believes that the Cerro Corona provides an interesting comparison to the Company's own Red Chris Deposit located in Northern British Columbia. Although the measured and indicated resources are similar, the Red Chris Deposit is conveniently located in close proximity to land and sea transport (note the elevation of the Cerro Corona) and has almost double the amount of drilling to support the ore reserve estimates.

I would also like to remind you that ABP maintains a website on the Internet at www.abpminerals.com. The website contains current news releases, information regarding the Company's objectives and mission, descriptions of the assets contained within the Company's Mining and Investment Divisions as well as 15 minute delayed stock and metal (gold and copper) quotes.

Once again, thank you for your interest and please do not hesitate to contact us if you would like more information. For additional investor relations materials or questions please contact Quantus Marketing Inc. at 1-(800)-403-2940 or call us directly and someone in our offices will be pleased to assist in any way possible.

Yours Sincerely,

Chuck Wills
President and Chairman

American Bullion Minerals Ltd.

Telephone: 604. 622 4400
Toll Free: 1 800. 403 2940
Facsimile: 604. 622 4444

E-mail: info@abpminerals.com
Website: www.abpminerals.com

AMERICAN BULLION MINERALS LTD.

Head Office: Suite 975, 625 Howe Street
Vancouver, British Columbia
V6C 2T6 CANADA

Telephone: (604) 622-4400
Facsimile: (604) 622-4444
Toll-Free: (800) 403-2940
E-Mail: info@abpminerals.com
Website: www.abpminerals.com

TSE Symbol: ABP
Shares Issued: 12,191,498 common shares (June 30, 1997)
Shares Authorized: 100,000,000 (common shares without par value)
Closing Price: \$0.72 (August 21, 1997)

Divisions: **Mining Division**
The Red Chris Copper-Gold Deposit, Northern British Columbia
Investment Division
Mountain View Property, Hilo (Hawaii)

Directors: **Charles Wills**
President, American Bullion Minerals Ltd.
Richard Whittall
Vice President, Investments, American Bullion Minerals Ltd.
Hector MacKay-Dunn
Partner, Farris, Vaughan, Wills & Murphy

Investor Relations: **Quantus Marketing Inc.**
720 - 1111 Melville Street
Vancouver, British Columbia
V6E3V6
Toll-Free: (800) 403 2940
Telephone: (604) 669-1945
Facsimile: (604) 669-1974
Email: quantus@direct.ca

Legal Counsel
Farris, Vaughan, Wills & Murphy
P.O. Box 10026
Pacific Centre South
26th Floor, 700 West Georgia Street
Vancouver, British Columbia
V7Y 1B3
Telephone: (604) 684-9151
Facsimile: (604) 661-9349

Auditors
Coopers & Lybrand
1111 West Hastings Street
Vancouver, British Columbia
V6E 3R2
Telephone: (604) 661-5700
Facsimile: (604) 661-5756

Registrar and Transfer Agent
CIBC Mellon Trust Company
1177 West Hastings Street
Mall Level
Vancouver, British Columbia
V6E 2K3
Telephone: (604) 688-4330
Facsimile: (604) 688-4301

CORPORATE OVERVIEW

AMERICAN BULLION MINERALS LTD.

TSE Symbol: ABP

Shares Issued: 12,191,498

Closing Price: \$0.72 (August 21, 1997)

The Mission *The Company is dedicated to building long-term shareholder value and distinguishing itself by superior competence, performance and integrity in all its dealings. It will attract the leading minds in its chosen fields of pursuit and be an industry leader and innovator in these areas.*

Mining Division

The Mining Division is the primary focus of Management with the advancement of the Red Chris property the single greatest priority. The Company believes that the long-term fundamentals of this property are excellent and that this copper-gold reserve will make a substantial financial contribution to ABP.

Property The Red Chris Deposit, Northern British Columbia

Results Over 71,000 metres of drilling from 244 drill holes, measured and indicated tonnage calculated, with cut-off NSR of Cdn\$8.50 per tonne

Tonnage:	270 Million Tonnes	
Average Grade:	0.46% Copper	0.42 gm/T Gold
Contained Metal:	2.7 Billion lbs.	3.6 Million oz

Prospects The demand for worldwide copper is expected to increase dramatically. A report from *Bankers Trust* (BT) suggests that most estimates of Chinese Copper consumption have been too low. BT believes this could push the price of copper to US\$1.30/lb by the end of 1997 and reach US\$1.45/lb by the end of 1998. Given the estimated size of the copper deposit at the Red Chris, this could position the Company as a leading supplier to Asia and developing countries in need of copper for consumer goods, electronics and other industrial applications. The Company is currently seeking a strategic long-term relationship with an integrated copper company from a 'net-demand' copper country. Management believes that such a relationship will allow the Company to maximize the return to shareholders from the Red Chris Property and will significantly enhance the value the Company can bring to similar projects in the future.

Investment Division

The Investment Division's mandate will be to achieve above average returns through portfolio and direct investments in non-resource based assets. The objective of the Investment Division is to develop near-term returns for shareholders and to fund all corporate costs while diversifying the Company's asset base.

Property Mountain View, Hilo, Hawaii

Description Approximately 1750 acres of recreational and development property on the island of Hawaii. The property comprises 43 separate legal titles, a portion of which will be marketed immediately as separate lots. The purchase price of the property in aggregate will approximate Cdn.\$2.4 million (US\$954 per acre), which the Company expects to satisfy through debt financing. The transaction is anticipated to close in late August 1997, subject to the completion of satisfactory due diligence, the settlement of financing requirements and Board approval.

Prospects Initially, 10-15 lots will be sold in 50-acre lots for up to US\$3,000 per acre. This will largely recoup the acquisition cost of the property and having satisfied the debt obligations of the property this will allow the Company the unique marketing position of extracting the highest possible price for the remaining 25, 7 and 5 acre lots – likely greater than US\$4,000 per acre.



DIRECTORS AND MANAGEMENT

Charles H. Wills – President & Chairman

Prior to becoming Chairman and President of ABP, Mr. Wills co-founded Hunterbrooke Capital Corp. which arranged lead financings for companies such as Evergreen Technologies, Biozyme Systems, Inc. and Riptide Technologies Inc., among others. Mr. Wills practiced law in Vancouver for more than 15 years, most recently as a partner with Owen Bird where he had worked as a corporate and commercial lawyer since 1984. Mr. Wills has extensive experience with a broad range of complex business issues, including strategic considerations in the structuring and organization of companies. With over 15 years of professional and personal investment experience, Mr. Wills understands the dynamics of complex business transactions and is known for his creative ability to achieve principle-based agreements.

Richard O'C. Whittall – Vice President, Investments & Director

Mr. Whittall has been actively involved in the securities industry for the past 11 years. Prior to joining ABP, he formed Dillon, Whittall, Gill & Company Ltd., principally involved in providing domestic and international companies with financial advisory services in the areas of mergers, acquisitions, divestitures and strategic business alliances. Mr. Whittall has also served as Senior Vice President, Corporate Finance & Director of Marleau, Lemire Securities Inc. and Vice President, Investment Banking at Richardson, Greenshields of Canada. Mr. Whittall currently serves as a Director of Okanagan Skeena Group, Bell Molybdenum Mines, Aerodat Inc. and Miranda Mining Development Corporation.

Hector MacKay-Dunn - Director

Mr. MacKay-Dunn is a partner at the Vancouver law firm of Farris, Vaughan, Wills & Murphy with over 20 years practice experience in business and securities law. Mr. MacKay-Dunn currently is director of a number of public and private corporations and has also served on a number of community boards. For more than 10 years, he was an active board member of the B.C. Division of the Canadian Red Cross Society and the United Way of the Lower Mainland, serving in a number of executive capacities before becoming President of the United Way, President of the Vancouver Red Cross and Executive President of the British Columbia Red Cross.

Darin Barry – Chairman of the Advisory Council

Prior to joining ABP, Mr. Barry co-founded Hunterbrooke Capital Corp. Mr. Barry spent five years with Abbey Healthcare Group (the largest Integrated Home Healthcare Company in the United States). Ultimately, as West Coast Director of Operations, Mr. Barry was responsible for over 40 independent business centers generating in excess of US\$50 million in sales with more than 300 employees. He was also responsible for identifying, closing and integrating the operations of more than 10 takeover targets. Mr. Barry is an accomplished and effective business manager who excels at identifying operational needs, formulating successful strategies and building management teams to achieve required results. He is currently a Director of Biozyme Systems, Inc. and Evergreen Technologies, Inc.

Technical Advisory Board – Mining Division

The Directors of the Company have established a 'Technical Advisory Committee' that will provide strategic technical advice and direction to Management and the Board. The Committee will be comprised of six members consisting of the Chairman of the Board, the Vice President, Mine Development and four independent technical representatives.

The four independent technical representatives to the Committee will be leading experts in the disciplines that are essential to the Company's development: mine engineering, metallurgy, environmental concerns and geology. This Committee will be a 'mentoring' resource for the Company, providing strategic focus and direction, through a series of regularly scheduled meetings. Additionally, this Committee will review special projects on behalf of the Company and play an active role where necessary or appropriate.

The long term success of the Red Chris Project and ABP will be critically tied to the caliber of the Vice President, Mine Development and the leading experts who will represent the Technical Advisory Committee. At present, Management is conducting a comprehensive search for qualified candidates and anticipates announcing appointments to this Committee in due course.

MINING DIVISION

RED CHRIS COPPER-GOLD DEPOSIT

The Leading 'Mine Development' Opportunity In British Columbia

American Bullion Minerals Ltd. (ABP) believes that the Red Chris Property is the leading 'mine development' opportunity in British Columbia. The Red Chris has mineable ore reserves of 2.7 billion pounds of copper and 3.6 million ounces of gold. This makes the Red Chris one of the largest and most important copper-gold porphyry mine discoveries in North or South America.

To date, 71,000 metres of drilling from 244 diamond drill holes, measured and indicated tonnage calculated, with cut-off NSR of Cdn\$8.50 per tonne (total tonnage of 270 million tonnes).

Average Grade:	0.46% Copper	0.42 gm/T Gold
Contained Metal:	2.7 Billion lbs.	3.6 Million oz

Power and Transport Readily Available

The Red Chris Property is approximately 100 square kilometres and is located 12 kilometres east of the Stewart-Cassiar Highway in Northern British Columbia. The property is large enough to accommodate both mine and mill processing. Both power and deep-sea transport are readily available. The property is 80% owned by ABP and Teck corporation holds the remaining 20% interest.

Development Objectives for 1997

Management is currently conducting a re-scoping of the 1996 Fluor Daniel Wright Pre-Feasibility Study. The objective is to determine if the central high-grade core zone can be selectively mined with a significantly reduced initial capital investment and positive cashflow early in the development.

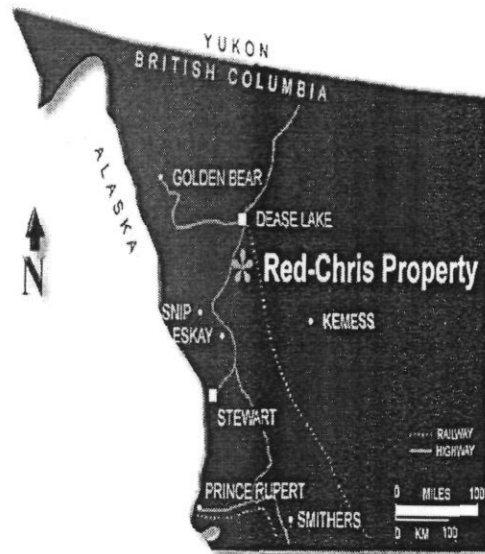
To revise the Pre-Feasibility Study, management has also identified the need to explore the following possibilities:

- Reduce capacity to about 30,000 tonnes per day with the ability to expand on a planned basis.
- Revise the geological block model using a more restrictive control of grade distribution for delineation of high-grade mineralization.
- Construct a mining reserve based on 12 metre bench heights for more effective mine grade control.
- Develop an efficient mining plan that, where possible, utilizes the highest-grade ore early in the mining process and if appropriate, utilizes new technologies to increase recovery rates.
- Develop a strategy to mine the near surface high-grade eastern portion of the Red Chris Deposit.
- Plan on utilizing 60 yard shovels and 300 tonne trucks for maximum throughput at minimum cost.
- Optimize the mining process to reduce overhead cost through the use of alternative waste disposal, ramp modification in the pit, alternative brand capital equipment and the elimination of the primary crusher conveyor belt.
- A thorough evaluation of the metallurgical plant and facilities to ensure an optimal configuration.
- In addition to on-going negotiations with Imperial Metals Corp., the Company is seeking a strategic long-term relationship with an integrated copper company from a 'net-demand' copper country.

The cost of the re-scoping exercise is anticipated to not exceed \$70,000 and it is expected that the work will be complete by November 1997.

Search for Vice President, Mine Development

In addition, the Company's agent has received more than 50 applications for the position of Vice President, Mine Development. ABP has been satisfied with the progress of the search so far and we look forward to reporting further progress as it is made. The successful candidate will be a full-time executive responsible for advancing the Red Chris Project and eventually developing other mining opportunities for the Company.



The Red Chris Property is ideally located - only 12km from the Stewart-Cassiar Highway

INCREASING DEMAND FOR COPPER

Previous Consumption Estimates Too Low

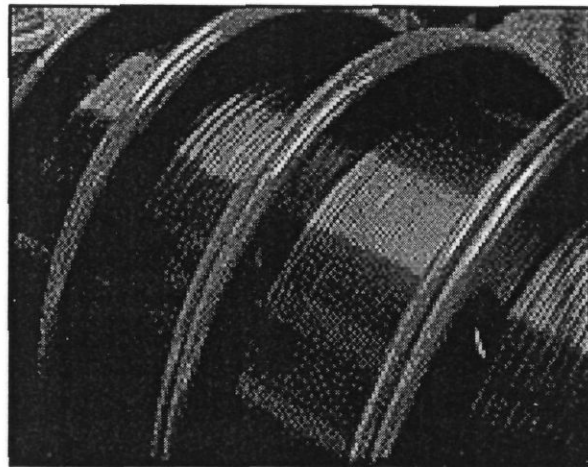
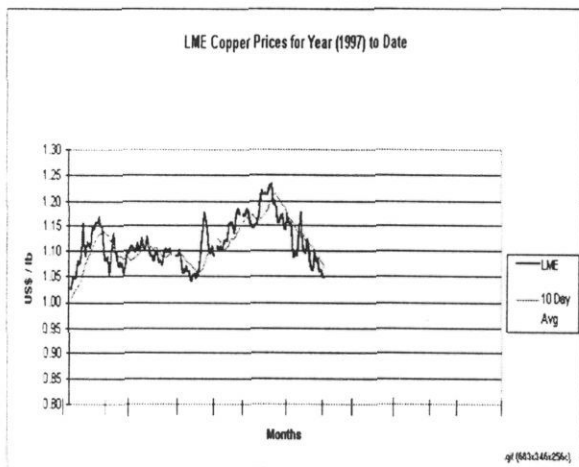
The demand for worldwide copper is expected to increase dramatically. A May 1997 report from Bankers Trust Research (BT) suggests that most estimates of Chinese Copper consumption have been too low. BT believes this could push the price of copper to US\$1.30/lb by the end of 1997 and reach US\$1.45/lb by the end of 1998.

Copper Prices Expected to Rise

Strong demand during the early part of the year caused average copper prices to rise steadily. Copper closed at \$1.1975/lb. on May 30, up \$0.05 over the previous month. To put this into context, a \$0.01 increase in copper is roughly equivalent to a \$8/oz increase in gold prices. Therefore, the increase of \$0.05/lb. in copper prices during May had the same significance as a \$40 increase in the price of gold! In the last two months, copper prices have fallen back to the \$1.00/lb. level, however as supply diminishes the price will again be driven up to compensate. Due to the sheer size of the estimated deposit at the Red Chris, small price increases cause the value of the deposit to increase dramatically. Demand for copper is not expected to decline but rather intensify as developing nations further industrialize and build infrastructure requiring cable (which consumes about half of all copper produced) as well as manufacture more consumer goods requiring copper such as appliances and electronics. Due to its excellent thermal and electrical conductivity properties copper is one of the world's most important metals and the expectation of increased demand seems reasonable.

London Metal Exchange Copper Prices (period ended July 31, 1997)

Copper is used extensively due to its excellent conductivity



Demand Remains Strong Due to High Chinese Consumption

In the long term, the BT Report indicates that the demand for copper may be much more significant than previously forecast. The report cites a much stronger demand for copper by the Chinese than earlier anticipated by both official and market estimates. Various reasons for the increased demand are reported, including inaccurate survey data, unaccounted private sector trading and omissions and other possible errors in the projection methodologies currently used. Chinese copper demand is anticipated to remain strong and in fact, is expected to increase over the next five years. Due to the large consumption rate (over 1.58mt in 1995) China is considered to be a major determinant of supply in the global copper market. As this demand increases, copper supplies will continue to fall. As we have already seen this year, a decrease in supply will be accompanied by a sharp upward move in price. This seems to be empirically supported by the increasing trend in the upward price of copper and the most recent figures on Chinese copper consumption. This evidence indicates that there will be significant upward pressure on copper during 1997 and particularly in 1998.

An article entitled "The Copper Industry in China", in the June 6, 1997 issue of the *Mining Journal*, identified a shortfall in domestic copper production from Chinese mines of 344,000 tonnes in 1996. Although China is one of the richest countries in the world for mineral resources, it has an inadequate resource base to support domestic copper consumption, despite being the world's fourth largest producer of refined copper. For this reason, the Company is seeking a strategic long-term relationship with an integrated copper company from a 'net-demand' copper country such as China.

INVESTMENT DIVISION

MOUNTAIN VIEW PROPERTY

Generating Near-Term Cashflow while Diversifying the Asset Base

The Investment Division's mandate will be to achieve above average returns through portfolio and direct investments in non-resource based assets. The objective of the Investment Division is to develop near-term returns for shareholders and to fund all corporate costs while diversifying the Company's asset base.

Unique Distressed Circumstances Provide Opportunity to Create Significant Profit Margin

The Investment Division's initial acquisition is a 1,750-acre agricultural/ranch property with homesite potential on the island of Hawaii. Until 1985, the property was largely used for sugar cultivation. The seller is a commercial agricultural producer and the land was no longer economically viable (on a commercial scale) as a sugar cane ranch. The seller was forced to liquidate the property at what the Company believes is a significant discount to market. Initially offered at nearly \$2,200 per acre, ABP acquired the land at approximately \$954 per acre.

The land holding consists of 37 lots each nearly 50 acres in size, three lots ranging from 5 to 30 acres, and three residential-zoned lots ranging from 6,500 square feet to over an acre. In addition to the separate legal lots, the split zoning of AG-5A and AG-20A allows for the opportunity to create even smaller lots with minimum sizes of 5 to 20 acres. Access to the property is possible directly from various points along a 2.3 mile stretch of State Highway 11, with frontages located on three paved roads maintained by the county government. County water, electrical and telephone services for single-family residential use are also available to the property at various locations.

The property is located approximately 10 miles south of the city of Hilo, the county seat of Hawaii and location of most business and governmental services on the island. Hilo is also the home of the University of Hawaii, Hilo Campus. The harbor at Hilo Bay is the primary commercial port for the island. Hilo's airport, General Lyman Field, is served by freight and passenger carriers and is equipped to accommodate the largest civilian and military aircraft.

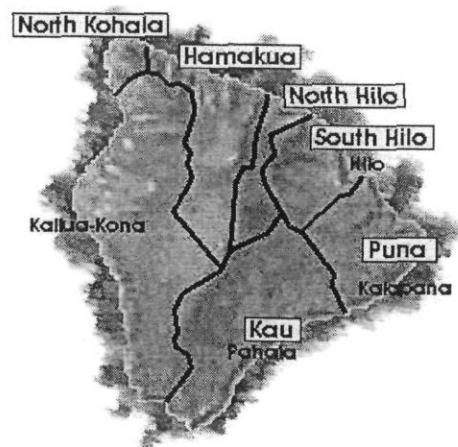
Mountain View has grown four-fold in population during the last decade. Primarily an agricultural region, it also serves as a bedroom community for those working in Hilo. While this area is particularly attractive to home buyers looking for a more rustic and rural lifestyle, it is also appealing to small farmers from an affordability standpoint. For those who seek this type of lifestyle, there is a shortage of land of the type the Investment Division is proposing for sale – especially in the 50 acre lots to be sold initially.

Long-Term Investment Strategy Will Maximize Returns

The 43 separate legal lots will be separated into two companies. Mountain View Country Estates (MVCE) will hold up to 20 lots (most 50 acres each) with the marketing mission of selling the lots with smaller built-in margins to recoup the acquisition cost of all 43 lots over the first 18 months. Mountain View Development Corp. (MVDC) a Hawaii partnership, wholly-owned by ABP, will hold the lots with the best opportunity for natural subdivision to the 25, seven, and five acre size with the mission of returning an average selling price to the shareholders of \$4,000 per acre. MVDC will be run in conjunction with a local partner who will be responsible for management of the company.

Initially, 10 to 15 parcels will be sold for up to \$3,000 per acre (50 acres / utilities / paved access / zoned AG20). These will be marketed to Oahu residents who would like to build a country style home on the "big island". Land of this acreage is not available anywhere else in the state, especially at these low prices. Although this approach may not generate the greatest possible profit, it allows a unique marketing position in that the initial acquisition cost is recovered in the first 18 months. With cost recovered, MVDC can afford the patience necessary to fulfill its mission of returning higher value per acre for the other remaining parcels of land.

The Island of Hawaii



TSE Trading Symbol: "ABP"

November 14, 1997

For Immediate Release

ABP HIRES VP, MINING AND APPOINTS SENIOR REVIEW BOARD

Vancouver, Canada – The Board of Directors of American Bullion Minerals Ltd. ("ABP") is very pleased to announce the appointment of Scott Broughton, P.Eng. to Vice President – Mining, and to announce the appointment of a Senior Review Board to the Company.

Scott is a professional mining engineer with a strong background in feasibility level studies, costing and project management with experience on a number of mining projects in Canada and internationally. Scott will be responsible for managing and directing all aspects of the Company's operations related to ABP's primary asset, the Red Chris Project. The Red Chris is a large copper/gold porphyry deposit located near Iskut, in Northern B.C., which has been the focus of extensive previous exploration and pre-feasibility work.

The Company will carry out new detailed engineering studies to re-cast it as a smaller tonnage/ higher grade operation utilising innovative yet practical approaches to mining the proven deposit. A plan to design the project with development costs which are dramatically less than outlined by previous studies is likely to result from this work.

The Senior Review Board is to meet regularly to review the project work and assist the Company in producing an authoritative plan and report of high industry standard. The Senior Review Board includes the following members:

Mr. Norman Anderson, P.Eng. – has over 44 years of experience in the mining industry, including having had total responsibility for Cominco's business as Chairman and CEO of that company. He has also held executive positions with International Corona Corporation, Fording Coal, and Amax Inc. during his distinguished career.

Mr. Donald Barker, P.Eng. – has over 28 years of experience in engineering and operation of a number of open pit and underground mines. He has worked as Superintendent of Mine Engineering for Petro Canada Coal Division, and previously for Fording Coal. Mr. Barker has also been Chief Engineer and Mine Superintendent for Granisle Copper and worked at the Ingerbelle Copper mine for Similkameen Mining.

Mr. C.O. Brawner, P.Eng. – has over 44 years of experience as a Specialist Geotechnical Engineer, focusing a significant portion of his career on mining projects. He has acted as senior review on over 38 surface mine stability projects and over 16 underground mine stability projects around the world. Mr. Brawner has held a variety of senior review consulting assignments including Chairman of Syncrude's Geotechnical Review Board.

Mr. Roger Taylor, P.Eng. - has over 42 years of experience in the mining industry during which he held the position of President – Copper Division of Cominco Ltd. and was involved in the acquisition of Bethlehem Copper and in joint venture negotiations with Lornex leading to the creation of Highland Valley Copper. He was also President and CEO of Zapata Granby and was responsible for all of that company's BC copper mines. Mr. Taylor was also Mine Manager of the Granisle Copper Mine.

- ### -

Company contacts:

Charles H. Wills, President
Telephone: 604-622-4400
Facsimile: 604-622-4444

Investor Relations
Telephone: 1-800-403-2940



TSE Trading Symbol: "ABP"

November 7, 1997
For Immediate Release

ABP RENEGOTIATES LOANS

Vancouver, Canada – American Bullion Minerals Ltd. ("ABP") announced today that an agreement has been reached which provides for a significant portion of the 'demand loans' used to acquire the 1700 acres of property at Hilo, Hawaii, to be exchanged for 'convertible term loans'.

Chuck Wills, President of the Company, stated: " This debt exchange not only provides ABP with the ability to plan for any debt repayment obligations which may be required but also frees up a significant amount of cash flow from the sales of the Hawaii Property. During the continuance of the original 'demand loans' ABP is restricted in dealing with the net proceeds of sales. This factor is significant now that we have land sale contracts in escrow for more than US\$500,000.00."

The amount of the loans to be exchanged is US\$1,000,000.00. The purchase price for the Hilo Property was US\$1,620,000.00. The 'convertible term loans' will have a term of two years and may during that period be converted into units comprised of one ABP share at \$0.63 and one share purchase warrant, exercisable at \$0.63 during the period expiring October 31, 2000.

- ### -

Company contacts:

Charles H. Wills, President
Telephone: 604-622-4400
Facsimile: 604-622-4444

Investor Relations
Telephone: 1-800-403-2940



TSE Trading Symbol: "ABP"

September 3, 1997
For Immediate Release

ABP Commences Red Chris Property Re-Scoping Study and Completes Purchase of Hawaii Property

Vancouver, Canada – American Bullion Minerals Ltd. ("ABP") announced today that Mr. Don Barker, P. Eng., the Vancouver representative of the Denver based international mining consulting company Pincock, Allen & Holt ("PAH"), has been retained to conduct a Re-Scoping Study of the April 1996 Fluor Daniel Wright Pre-Feasibility Study for the Red Chris Property. It is expected the Re-Scoping Study will be completed this November and will form the basis of a definitive strategy to move the Red Chris copper-gold property located in northern British Columbia to the next level of development.

The Re-Scoping Study will include objectives that relate to reducing mill capacity to approximately 30,000 tonnes per day with the ability to expand on a planned basis. In addition, the Study will examine ways to develop an efficient mining plan that utilizes the highest-grade ore early in the mining process and, if appropriate, utilizes new technologies to increase recovery rates. The Study will examine methods to optimize the mining costs through the use of alternative waste disposal areas, ramp modifications in the pit, equipment modifications and the elimination of some facilities. Finally, the Study will conduct a thorough evaluation of the metallurgical plant and facilities to ensure an optimal configuration using the best engineering and operating standards.

Mr. Don Barker states, "I believe that key modifications and improvements can be made to the Pre-Feasibility Study that will have a significant impact on the capital and operational costs of the project. If we can optimize revenues in combination with streamlining operating costs it will further reinforce the position that this property is an important and significant mining opportunity when compared to other copper-gold porphyry properties."

The Company's newly formed 'Investment Division' is pleased to announce the successful completion of the purchase of the 'Mountain View Property' near Hilo on the Island of Hawaii. This transaction involved the 'en bloc' acquisition of approximately 1750 acres of recreational and development property in unique distress circumstances near Hilo. The property is comprised of 43 separate legal titles, a portion of which are being marketed immediately as separate lots through Prudential/Orchid Isle Properties in Hilo.

The purchase price of US\$1,620,000 (approximately US\$925 per acre) was funded in part through an external debt facility in the amount of US\$1,465,000 with the balance being provided from working capital.

- ### -

Company contacts:

Charles H. Wills, President
Telephone: 604-622-4400
Facsimile: 604-622-4444

Investor Relations
Telephone: 1-800-403-2940

TSE Trading Symbol: "ABP"

July 28, 1997

For Immediate Release

ABP Announces Expanded Business Plan And Acquisition

Vancouver, Canada As part of an innovative long-term strategy to maximise shareholder value, the Directors of American Bullion Minerals Ltd. ("ABP") have approved the formation of an 'Investment Division' that will operate independently of the existing assets within ABP's 'Mining Division'.

Chuck Wills, President of ABP, is pleased to announce that Mr. Richard O'C. Whittall, a director of the Company, will be appointed 'Vice-President, Investments' and will assume day-to-day responsibility for the activities of the Investment Division. Mr. Whittall brings extensive experience and contacts to this position as a result of his 10 years in investment banking and corporate finance. His leadership and vision in the establishment and building of the Investment Division will be a substantial asset for the Company.

The Investment Division's mandate will be to achieve above average returns through portfolio and direct investments in non-resource based assets. A cautious 'value' approach emphasising cash-flow returns in clearly defined timeframes and business cycles will be taken. The objective of the Investment Division is to develop near-term returns for shareholders and to fund all corporate costs while diversifying the Company's asset base.

Management has identified the first transaction being evaluated for the Investment Division, the 'en bloc' acquisition of approximately 1750 acres of recreational and development property in unique distress circumstances on the island of Hawaii. The property comprises 43 separate legal titles, a portion of which will be marketed immediately as separate lots through the local Prudential real-estate agency. The purchase price of the property in aggregate will approximate Cdn.\$2.4 million (US\$954 per acre), which the Company expects to satisfy through debt financing. The transaction is anticipated to close on August 15, 1997, subject to the completion of satisfactory due diligence, the settlement of financing requirements and Board approval.

The Mining Division will continue to be the primary focus of Management. Mr. Wills confirmed: "The advancement of the valuable copper-gold deposit at Red Chris remains the single greatest priority in ABP. The Board and management believe that the long-term fundamentals of this property are excellent and that this mineral interest will make a substantial financial contribution to ABP."

"We look forward to announcing shortly the appointment of a 'Vice-President, Mine Development' as our executive search is near completion. The number and quality of executive applications have far exceeded our expectations. We also look forward to receiving the results of the search, which has now been initiated by our corporate finance consultants, for a strategic mining partner. While these important activities advance, the Investment Division will ensure our ability to create cash-flow and maximise the medium and long-term return to shareholders from the Red Chris Property."

- ### -

Company contacts:

Charles H. Wills, President

Telephone: 604-622-4400

Facsimile: 604-622-4444

Investor Relations

Telephone: 1-800-403-2940

TSE Trading Symbol: "ABP"

July 11, 1997
For Immediate Release

ABP To Consolidate Stock Exchange Listings

Vancouver, Canada – American Bullion Minerals Ltd. ("ABP") announced today it will be delisting all of its common shares from trading on the Vancouver Stock Exchange effective the close of business on July 18, 1997. The Company's common shares will remain listed on the Toronto Stock Exchange in Canada under the symbol "ABP".

American Bullion Minerals Ltd. is dedicated to building long-term shareholder value through effective management comprised of leaders in the mining industry who bring unique experience, discipline, innovation and passion to the exploration for and development of mineral properties. The Company is the majority owner of the Red Chris property located in North Western British Columbia. Estimated reserves of 2.7 billion pounds of copper and 3.6 million ounces of gold make the Red Chris property one of the largest copper-gold deposits in British Columbia and what the Company believes is the leading "mine development" opportunity in the Province.

- ### -

Company contacts:

Charles H. Wills, President
Telephone: 604-622-4400
Facsimile: 604-622-4444

Investor Relations
Telephone: 1-800-403-2940

TSE Trading Symbol: "ABP"

June 11, 1997

For Immediate Release

Previous Study Revised To Accelerate Mine Development

Vancouver, Canada – "The data reviewed by American Bullion Minerals Management over the past three weeks verifies estimated total measured and indicated mineable ore reserves at Red Chris of **2.7 billion pounds of copper and 3.6 million ounces of gold.**" stated Chuck Wills, President of American Bullion. "This confirms our belief that the Red Chris Property is the **leading 'mine development' opportunity** in British Columbia."

Mr. Wills added that, "Management intends to pursue this opportunity with all dispatch particularly in view of the continuing rise in world copper prices. The **large reserves and good grades** at Red Chris are not widely known and represent the potential for a world class mine. The Company has spent \$11.2 million on drilling, resulting in 244 holes totalling 71,393 metres. The indicated mineable reserves are based upon a geological resource of **270 million tonnes grading 0.46% copper and 0.42 grams per tonne gold** at a cut-off grade of US\$8.50. There are increased mineable ore reserves of 3.5 billion pounds of copper and 4.0 million ounces of gold based upon a geological resource of 494 million tonnes grading 0.323 % copper and 0.254 grams per tonne gold with at a cut-off grade of US\$3.50."

On the advice of industry experts and with a view to adding shareholder value, Management has made the decision to 're-scope' the Fluor Daniel Wright Pre-Feasibility Study. This work will include the consideration of a smaller and less capital intensive mill, the opportunity to concentrate initial production on the **high grade 'East Pit'** and further metallurgical work to improve gold recoveries. In addition, the Company's 1997 base line environmental data collection program is being continued so that governmental permitting for the mine will proceed on schedule.

The costs of the contemplated work will be paid out of working capital. Teck Corporation, who continues to hold its option on the Red Chris Property, is expected to make its required proportionate contribution.

Effective immediately, a '**Monthly Management Summary**' of Company initiatives and progress may be obtained by contacting the Company at 1-800-403-2940.

- ### -

Company contacts:

Charles H. Wills, President
Telephone: 604-622-4400
Facsimile: 604-622-4444

Investor Relations
Telephone: 1-800-403-2940



Mission Statement

"The Company is dedicated to building long term shareholder value and distinguishing itself by superior competence, performance and integrity in all its dealings. It will attract the leading minds in its chosen fields of pursuit and be an industry leader and innovator in these areas."

Strategy Statement – American Bullion Minerals Ltd. ("ABP")

ABP will pursue investments that will profit from global "mega-trends", as demonstrated by current holdings:

1. Copper - the 'Red Chris' copper deposit will offer extraordinary returns over the medium and long term as a result of an unprecedented demand for consumer goods by the expanding middle class in rapidly industrializing countries such as China;
2. Retirement Real-Estate - the 'Mountain View' property in Hawaii will offer above average returns in the short and medium term as a result of the growing demand for affordable rural retirement properties by 'baby-boomers' who are relocating out of urban centers like Oahu.

While maintaining a primary focus on its resource properties, ABP will expand its capital base through portfolio and direct investments in non-resource based assets. A cautious 'value' approach will be employed with an emphasis on cash-flow returns in clearly defined time frames and business cycles.

Objective Statement - Mining Division

The 'Mining Division' will pursue the following objectives:

1. The establishment of in-house management with mine development and operations expertise as well as experience in negotiating and structuring international financial transactions.
2. The formulation of an innovative low cost commercial production strategy for the Red Chris Property and the completion of a 'final feasibility' study which indicates a significantly enhanced Internal Rate of Return (IRR).
3. The development of a strategic relationship with an integrated copper company from a 'net copper demand' nation which will be premised on that parties need to secure a long term source of copper inventory and ABP's control over 3 billion pounds of copper.

Objective Statement - Investment Division

The 'Investment Division' will pursue the following objectives:

1. The establishment of a 'Business Advisory Committee' that brings national and international business experience and connections to ABP's in-house management.
2. The development of a business plan targeting 'value' opportunities with demonstrated cash flow and potential for expanded markets in the 'boring' or 'transparent' industries that cater to 'age wave' consumers.
3. The acquisition of 'positive cash flow' assets with minimal dilution to ABP shareholders targeting private companies that are generating profits in excess of \$200,000 per year and have retirement age principals.

Major Assets of ABP

Mining Division - Red Chris Deposit, Northern BC

The Company has spent \$11.2 million on drilling, resulting in 244 holes totalling 71,393 metres. The estimated total measured and indicated mineable ore reserves at Red Chris of 2.7 billion pounds of copper and 3.6 million ounces of gold are based upon a geological resource of 270 million tonnes grading 0.46% copper and 0.42 grams per tonne gold at a cut-off grade of US\$8.50. There are increased mineable ore reserves of 3.5 billion pounds of copper and 4.0 million ounces of gold based upon a geological resource of 494 million tonnes grading 0.323 % copper and 0.254 grams per tonne gold with at a cut-off grade of US\$3.50.

On the advice of industry experts and with a view to adding shareholder value, Management has decided to 're-scope' the April 1996 Fluor Daniel Wright Pre-Feasibility Study to accommodate a reduced initial capacity on higher-grade ore and a phased planned expansion to the 90,000 tonne range. Coupled with this concept would be changes to the transportation network, introduction of waste backfilling, modification of waste dump locations to shorten hauls and elimination of unnecessary parallel transportation systems. A preliminary examination speculates that capital requirement might be reduced by perhaps 15% (i.e. \$85 million). In addition, mining costs would be significantly reduced, perhaps by 25%.

The Company's 1997 base line environmental data collection program is being continued so that governmental permitting for the mine will proceed on schedule.

Investment Division - Mountain View Property, Hawaii

As part of ABP's plan to produce real revenues and income ABP acquired approximately 1750 acres of recreational and development property in unique distress circumstances on the island of Hawaii. The property was purchased for approximately \$950 USD per acre in a bulk purchase and ABP will immediately market and sell 50 acre individual plots for approximately \$3000 per acre. The purchase price of the property in aggregate was approximately Cdn.\$2.4 million.

The People

Charles H. Wills - President & Chairman

Prior to becoming Chairman and President of ABP, Mr. Wills co-founded Hunterbrooke Capital Corp. which arranged lead financings for companies such as Evergreen Technologies, Biozyme Systems, Inc. and Riptide Technologies Inc., among others. Mr. Wills practiced law in Vancouver for more than 15 years, most recently as a partner with Owen Bird where he had worked as a corporate and commercial lawyer since 1984. Mr. Wills has extensive experience with a broad range of complex business issues, including strategic considerations in the structuring and organization of companies. With over 15 years of professional and personal investment experience, Mr. Wills understands the dynamics of complex business transactions and is known for his creative ability to achieve principle-based agreements.

Richard O'C. Whittall - Vice President, Investments & Director

Mr. Whittall has been actively involved in the securities industry for the past 11 years. Prior to joining ABP, he formed Dillon, Whittall, Gill & Company Ltd., principally involved in providing domestic and international companies with financial advisory services in the areas of mergers, acquisitions, divestitures and strategic business alliances. Mr. Whittall has also served as Senior Vice President, Corporate Finance & Director of Marleau, Lemire Securities Inc. and Vice President, Investment Banking at Richardson, Greenshields of Canada. Mr. Whittall currently serves as a Director of Okanagan Skeena Group, Bell Molybdenum Mines, Aerodat Inc. and Miranda Mining Development Corporation.

Hector MacKay-Dunn, Director

Mr. MacKay-Dunn is a partner at the Vancouver law firm of Farris, Vaughan, Wills & Murphy with over 20 years practice experience in business and securities law. Mr. MacKay-Dunn currently is director of a number of public and private corporations and has also served on a number of community boards. For more than 10 years, he was an active board member of the B.C. Division of the Canadian Red Cross Society and the United Way of the Lower Mainland, serving in a number of executive capacities before becoming President of the United Way, President of the Vancouver Red Cross and Executive President of the British Columbia Red Cross.



Advisory Council

Darin Barry – Chairman of the Advisory Council

Prior to joining ABP, Mr. Barry co-founded Hunterbrooke Capital Corp. Mr. Barry spent five years with Abbey Healthcare Group (the largest Integrated Home Healthcare Company in the United States). Ultimately, as West Coast Director of Operations, Mr. Barry was responsible for over 40 independent business centers generating in excess of US\$50 million in sales with more than 300 employees. He was also responsible for identifying, closing and integrating the operations of more than 10 takeover targets. Mr. Barry is an accomplished and effective business manager who excels at identifying operational needs, formulating successful strategies and building management teams to achieve required results. He is currently a Director of Biozyme Systems, Inc. and Evergreen Technologies, Inc.

Alan Ackerman – Advisory Council

Alan Ackerman co-founded Supra Corporation, a world leader in the computer modem market with 1995 revenues in excess of US\$100 million. Mr. Ackerman founded Supra in 1984 and filled the Chairman and Chief Executive role until he retired from day-to-day operations in 1992. During his tenure with Supra, Mr. Ackerman was a renowned product visionary who had an uncanny ability to recognize the needs of the market and then develop products that met that need. Supra changed directions several times under Mr. Ackerman's watch, from hard disk drives to printer peripherals, and finally into Supra's current focus, modems. Mr. Ackerman continued to serve as Chairman of Supra until September 1995 when Supra was sold to Diamond Multimedia Systems Inc. for approximately US\$100 million. Mr. Ackerman has proven business acumen and has demonstrated his ability to recognize emerging trends and to capitalize upon market opportunities. He currently serves as a Director of Biozyme Systems, Inc. and Riptide Technologies Inc. Mr. Ackerman will add invaluable technical expertise, vision and entrepreneurial flair to the Company's Advisory Council.





Monthly Management Summary for September 1997

Release Date: October 10, 1997

Re-Scoping Study Update

Don Barker advises that his work to date on the Re-Scoping Study indicates significant exciting changes and improvements to the Fluor Daniel Wright Pre-feasibility Report. Don will be completing his study during October.

MISSION STATEMENT

"The Company is dedicated to building long-term shareholder value and distinguishing itself by superior competence, performance and integrity in all its dealings. It will attract the leading minds in its chosen fields of pursuit and be an industry leader and innovator in these areas."

MINING DIVISION

The Mining Division is the primary focus of Management with the advancement of the Red Chris property as the single greatest priority. The Company believes that the long-term fundamentals of this property are excellent and that this mineral interest will make a substantial financial contribution to ABP.

Management / Technical Advisory Committee (TAC)

Management

During the Month of September 1997	Tasks within next 30 days
➤ Hiring of VP, Mine Development was put on hold for an additional 30 days pending the conclusion of management's consideration of a related proposal that has been received.	➤ Further review of this related proposal is required prior to a final decision.
➤ Red Chris on-site security improvements neared completion.	➤ Completion and shut-down of on-site security project.
➤ An initial meeting with Provincial government representatives regarding Red Chris power requirements was arranged.	➤ Meeting tentatively rescheduled for end of month to develop a win-win relationship with the government to advance prospects for the Red Chris.
➤ A meeting of Directors and prospective Advisory Board candidates was convened.	➤ A meeting of the Directors and Advisory Board candidates will be held.

TAC

The official appointments to this Committee will be made in consultation with the new VP, Mine Development or equivalent, whose appointment is pending.

TAC - Reports on Focus Area Developments

During the Month of September 1997	Tasks within next 30 days
➤ The preliminary geological portion of the Re-Scoping Study was undertaken by Don Barker.	<ul style="list-style-type: none"> ➤ Hire technical advisory facilitator with industry experience to assist Don Barker in finalization of Re-Scoping Study. ➤ To increase value of Red Chris through an optimized and better formulated engineering plan resulting in a higher IRR for the project.

Public Relations

ABP Public Relations Team initiated or completed the following:

During the Month of September 1997	Tasks within next 30 days
➤ Property sales and related developments for further announcements as appropriate were monitored.	➤ Same as September.
➤ Article for Mining Research Report Vol. XI was finalized.	➤ Proposed publication of Article end of October.
➤ 69 information brochures were forwarded to a New York Brokerage firm.	➤ 300 information brochures required for anticipated activity upon release of Article.
➤ The strategy regarding Eastern Canada investor relations was reviewed and modified.	➤ Improvement on strategic in-house investor relations.
➤ Broker follow-up on project interest and questions was maintained.	➤ Increase core of well-informed brokerage groups from current five to approximately eight.
➤ ABP Web-site was monitored for content, updates and improvements.	➤ Same as September.
➤	➤ Develop a 12 month Public Relations plan and budget.
➤	➤ Develop Re-Scoping media launch for November.

Corporate Finance / Strategic Alliances:

During the Month of September 1997	Tasks within next 30 days
➤ Contacts were initiated with an additional 10 prospective partners vis-à-vis the Red Chris property.	➤ Discussions with all interested parties will commence following the results of the Re-Scoping Study.
➤ Positive responses were received from the initial 10 prospective partners with the two data room visits during this month.	➤ On-going data room visits to be arranged on post-Re-Scoping basis.

INVESTMENT DIVISION

The Investment Division's mandate will be to achieve above average returns through portfolio and direct investments in non-resource based assets. The objective of the Investment Division is to develop near-term returns for shareholders and to fund all corporate costs while diversifying the Company's asset base.

During the Month of September 1997	Tasks within next 30 days
➤ Standardized pro-forma budgeting and financial reporting format was finalized.	➤ Financial reporting for ABP to be incorporated into this standardized format.
➤ Marketing plan for resale of lots in the Hawaii holding company was finalized and initiated. An executive has been appointed on an interim basis to oversee this project.	➤ Project manager to assess the effectiveness of the marketing plan as well as the anticipated financial performance of the project generally.
➤ Property subdivision and development proposal was finalized and has been initiated by local partners.	➤ Project financing will be secured, property staking will be completed and the deal with our local partners will be formalized.
➤ Formal corporate business plans were initiated for both the Hawaii development company and the Hawaii holding company.	➤ The completion of these business plans.



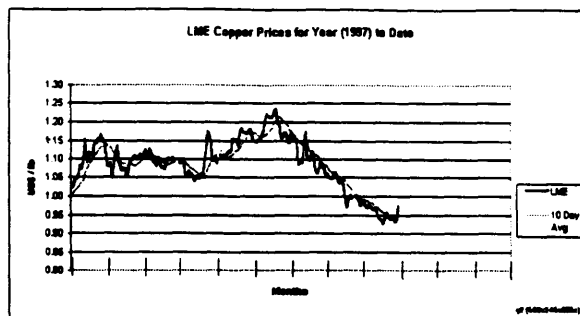
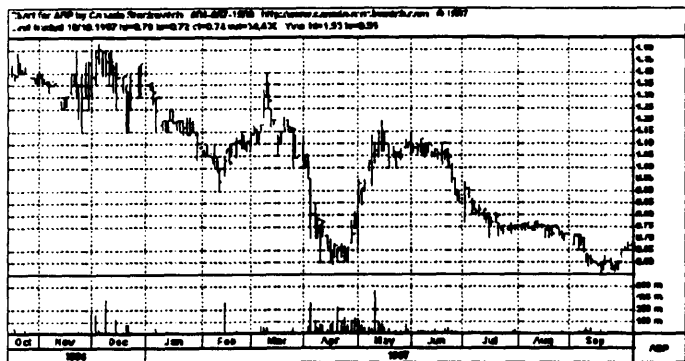
PUBLIC MARKETS:

TSE:ABP – for the month ended September 30, 1997

Price Range	Closing Price on September 30, 1997	Total Volume for the Month
.55 - .71	.63	817,330

ABP price chart for the day ended September 30, 1997

LME Copper Prices for the Month ended September 1997



Market Summary

The TSE Gold Index and Metals & Minerals Index both showed significant upturns by the end of September over new yearly lows reached during the middle of the month. The Gold Index, in particular, rebounded over 10% from the low 7427.23 established mid-month.

This upturn seemed to support most analysts' view that the metals and minerals sector stocks have become "undervalued" over the last several months.

Trading volume in American Bullion increased from 348,900 shares in August to 817,330 shares for September reflecting a substantial increase in open interest for companies with proven ore reserves.

American Bullion Minerals Ltd.
Suite 975 - 625 Howe Street
Vancouver, BC V6C 2T6
Canada

Website: www.abpminerals.com
E-mail: infor@abpminerals.com

Company Contacts:

Charles H. Wills, President
 Telephone: (604) 622-4400
 Fax: (604) 622-4444

Investor Relations
 Telephone: 1-800-403-2940

The information contained in this document has not been reviewed or approved by any securities commission or stock exchange. This document is not intended to provide a comprehensive review of all activities of the Company, but rather a summary of issues and activities discussed by the Company during Management Meetings. The Company shall have no obligation to update this document to reflect events, changes in assumptions or changes in other information contained herein.





Monthly Management Summary for August 1997

Release Date: September 19, 1997

ABP Completes Purchase of Hawaii Property

The Company completed the purchase of the "Mountain View Property" near Hilo on the Island of Hawaii announced on August 22, 1997. This transaction involved the "en bloc" acquisition of approximately 1750 acres of recreational and development property in unique distress circumstances. The property is comprised of 43 separate legal titles, a portion of which are being marketed immediately as separate lots through Prudential/Orchid Isle Properties in Hilo.

MISSION STATEMENT

"The Company is dedicated to building long-term shareholder value and distinguishing itself by superior competence, performance and integrity in all its dealings. It will attract the leading minds in its chosen fields of pursuit and be an industry leader and innovator in these areas."

MINING DIVISION

The Mining Division is the primary focus of Management with the advancement of the Red Chris property is the single greatest priority. The Company believes that the long-term fundamentals of this property are excellent and that this mineral interest will make a substantial financial contribution to ABP.

The Mining Division will pursue the following objectives:

1. The establishment of in-house management with mine development and operations expertise as well as experience in negotiating and structuring international financial transactions.
2. The formulation of an innovative low cost commercial production strategy for the Red Chris Property and the completion of a 'final feasibility' which indicates a significantly enhanced IRR.
3. The development of a strategic relationship with an integrated copper company from a 'net copper demand' nation which will be premised on that parties need to secure a long-term source of copper inventory and ABP's control over 3 billion pounds of copper.

Management / Technical Advisory Committee (TAC)

Management

During the Month of August 1997	Tasks within next 30 days
➤ More than 50 applications were received and reviewed and ABP interviewed a short list of five candidates for the position of VP, Mine Development.	➤ Hiring a VP, Mine Development has been put on hold for 30 days pending the conclusion of management's consideration of a related proposal that has been received.
➤ Security improvements to the Red Chris on-site assets commenced in early August.	➤ Weather permitting, these security improvements will be completed.
➤ The formal re-scoping of the Fluor Daniel Wright Pre-Feasibility Report began.	➤ Preliminary geological results of this re-scoping will be received for analysis.
➤ ABP received a request to meet with a Provincial government representative about the power requirements of the Red Chris project.	➤ Attend an initial meeting with a Provincial government representative regarding Red Chris power requirements.

TAC

The official appointments to this Committee will be made in consultation with the anticipated appointment of the new VP, Mine Development.

TAC – Reports on Focus Area Developments

During the Month of August 1997	Tasks within next 30 days
<ul style="list-style-type: none"> ➤ ABP retained Don Barker, P. Eng., the Vancouver representative of the Denver-based international mining consulting company Pincock, Allen & Holt to conduct a Re-Scoping Study of the April 1996 Fluor Daniel Wright Pre-Feasibility Study for the Red Chris Property. 	<ul style="list-style-type: none"> ➤ Obtain and review the preliminary Geology Report portion of this Re-scoping.

Communications

ABP Communications Team initiated or completed the following:

During the Month of August 1997	Tasks within next 30 days
<ul style="list-style-type: none"> ➤ ABP contacts/shareholders list updated and provided to Quantus Marketing Inc. on a weekly basis. 	<ul style="list-style-type: none"> ➤ New information packages to be issued to all ABP information contacts.
<ul style="list-style-type: none"> ➤ Press Release issued regarding completion of purchase of Mountain View Property. 	<ul style="list-style-type: none"> ➤ Monitor property sales and related developments for further announcements as appropriate.
<ul style="list-style-type: none"> ➤ Article drafted for Mining Journal publication. 	<ul style="list-style-type: none"> ➤ Article to be published.
<ul style="list-style-type: none"> ➤ ABP contacted by New York Brokerage Firm representing ABP shareholders. 	<ul style="list-style-type: none"> ➤ Forward 69 information brochures to New York Brokerage firm.
<ul style="list-style-type: none"> ➤ Termination of Investor Relations Agreement with Pangea Projects Ltd. 	<ul style="list-style-type: none"> ➤ Modified strategy regarding Eastern Canada investor relations being reviewed.
<ul style="list-style-type: none"> ➤ Pre-Feasibility Report provided to several brokers. 	<ul style="list-style-type: none"> ➤ Continue broker follow-up on project interest and questions.
<ul style="list-style-type: none"> ➤ ABP Website On-line. 	<ul style="list-style-type: none"> ➤ Monitor ABP Website for content updates and improvements.

Corporate Finance / Strategic Alliances:

During the Month of August 1997	Tasks within next 30 days
<ul style="list-style-type: none"> ➤ ABP identified Top 10 potential strategic partners. 	<ul style="list-style-type: none"> ➤ Contact with these prospective partners will be initiated.
<ul style="list-style-type: none"> ➤ A meeting and discussions were held with representatives of an Australian corporate finance firm regarding copper pricing and prospective Australian and S.E. Asian joint venture partners. 	<ul style="list-style-type: none"> ➤ Follow up with this group regarding prospective partners.

INVESTMENT DIVISION

The Investment Division's mandate will be to achieve above average returns through portfolio and direct investments in non-resource based assets. The objective of the Investment Division is to develop near-term returns for shareholders and to fund all corporate costs while diversifying the Company's asset base.

During the Month of August 1997	Tasks within next 30 days
<ul style="list-style-type: none"> ➤ Business Advisory Board structure established. 	<ul style="list-style-type: none"> ➤ Initial appointments to Business Advisory Board to be made and inaugural meeting to be held.
<ul style="list-style-type: none"> ➤ Interim Report for period June 30, 1997 completed and forwarded to shareholders. 	<ul style="list-style-type: none"> ➤ Standardized pro-forma budgeting and financial reporting format to be finalized.
<ul style="list-style-type: none"> ➤ Purchase of Mountain View Properties completed August 22, 1997. 	<ul style="list-style-type: none"> ➤ Marketing plan for resale of individual lots to be finalized and initiated while the appointment of a project manager will be considered.
<ul style="list-style-type: none"> ➤ Joint venture development 'letter of intent' regarding 460 acres concluded with influential local partners. 	<ul style="list-style-type: none"> ➤ Property subdivision and development proposal to be finalized and initiated by local partners.
<ul style="list-style-type: none"> ➤ Preparation of a formal corporate business plan was initiated. 	<ul style="list-style-type: none"> ➤ Formal corporate business plans to be completed.

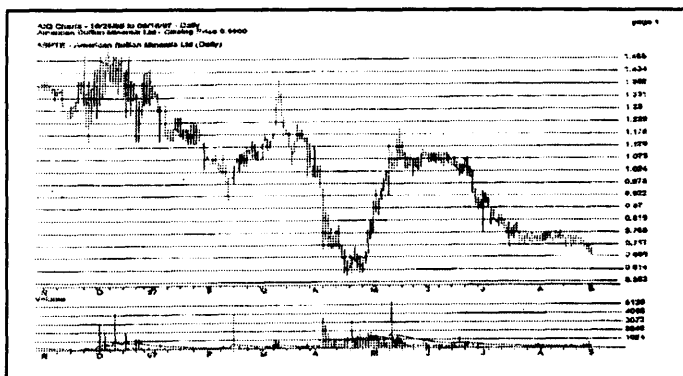


PUBLIC MARKETS:

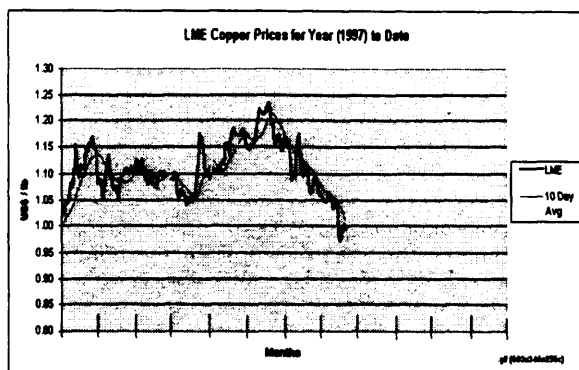
TSE:ABP – for the month ended August 31, 1997

Price Range	Closing Price on August 31, 1997	Total Volume for the Month
.68 - .77	.72	348,900

ABP price chart for the day ended September 9, 1997.



LME Copper Prices for the Month ended August 1997



Market Summary

Share prices for the majority of companies in the metals and minerals sector have remained at what most analysts are calling “undervalued” levels during the month of August. This is primarily due to the prices of gold and copper being at the low end of their recent cycles during the month.

Due to this set of circumstances, several senior brokerage firms have recently expressed the view that base metal stocks in particular should be accumulated at these comparatively low valuations.

This type of viewpoint appears to be gathering support and is encouraging to a development stage company like American Bullion Minerals Ltd. that has significant copper and gold reserves.

**American Bullion Minerals Ltd.
Suite 975 - 625 Howe Street
Vancouver, BC V6C 2T6
Canada**

**Website: www.abpminerals.com
E-mail: infor@abpminerals.com**

Company Contacts:

Charles H. Wills, President
Telephone: (604) 622-4400
Fax: (604) 622-4444

Investor Relations
Telephone: 1-800-403-2940

The information contained in this document has not been reviewed or approved by any securities commission or stock exchange. This document is not intended to provide a comprehensive review of all activities of the Company, but rather a summary of issues and activities discussed by the Company during Management Meetings. The Company shall have no obligation to update this document to reflect events, changes in assumptions or changes in other information contained herein.



RGC to buy Cerro Corona

RGC Ltd of Australia has agreed broad terms for the purchase of the Cerro Corona copper-gold project, in northern Peru, from the Gubbins family for around US\$36 million. The project is located in the western Cordillera of the Andes, at an altitude of 3,500 m, some 90 km north of Cajamarca. Barrick Gold Corp. formerly held an option to purchase the property, but decided to withdraw from the project last year (*MJ*, October 4, 1996, p.277).

Previous work carried out on the project includes 46,000 m of exploration drilling, metallurgical testing and preliminary environmental impact studies. According to the project's owners, measured and indicated oxide resources total 11.0 Mt, at a grade of 0.10% copper and 0.97 g/t of gold. Sulphide resources amount to 233.2 Mt (measured and indicated), at 0.34% copper and 0.56 g/t of gold, and 145.8 Mt (inferred and potential), at 0.22%

copper and 0.32 g/t of gold. However, RGC notes that the preparation of these resource estimates did not conform to the Australasian Code for Reporting of Identified Mineral Resources, which the company uses in its own exploration work.

RGC will pay a deposit of US\$2 million once a more detailed purchase agreement has been made, followed by a main payment after due diligence has been completed, scheduled for early in 1998. The main payment on completion will comprise, according to RGC's choice, either a US\$34 million single sum, or three tranches totalling US\$37 million, transferred over the course of the following three years.

A preliminary development concept for the project has been outlined by RGC. The company envisages a large open-pit mine, with an overall stripping ratio of 1.6:1 waste:ore. The oxide ore, which caps the deposit, would be stock-

piled for later treatment. Sulphide ore would be mined and processed at the rate of 35,000 t/d, to produce a copper-gold concentrate. Metal production would total 52,000 t/y of copper, in concentrate, and 230,000 oz/y of gold in concentrate and doré forms, although output in the early years would be expected to exceed these average figures. A mine life of at least 12 years for the sulphide material alone is forecast from the current resource estimates.

RGC has assured shareholders that its plans to purchase Cerro Corona, and subsequent development of the project, will not oblige the company to approach the market for additional equity funding. The company has not announced the likely capital cost of the project, but the managing director, Mark Bethwaite, did comment this week that similar projects "around the world are in the US\$250-350 million range".

Barrick relinquished its option to acquire the property in the September quarter of 1996. The Canadian group recorded a US\$38 million post-tax write-down, noting that exploration conducted by Barrick "did not establish mineralisation of a size sufficient to meet Barrick's development criteria". □



Facilities at Kirkenes, in Norway, which form part of a planned auction of iron ore mining and processing to be conducted in the middle of next month by the international plant and equipment valuers, Henry Butcher. Assets worth some £15 million are to be offered, including mining equipment, and processing and pelletising plant.

The Sydvaranger mine, 8 km inland, is connected to the coast by what is believed to be the world's most northerly railway, which is also for sale. Although the mine and plants are already closed, approximately 10 Mt of iron ore remains in the open pit and a further 25 Mt lies in 14 underground stopes. There are also 300 Mt of stone, produced as by-product.

The mine was originally opened in 1906. The majority of pellet production was sent to the UK and Germany, and high-grade magnetite was shipped to the US for pressing into motor-car body parts. Ferrite powder was sold to customers in France for the manufacture of magnets.

Mining Week
p.21 RGC to buy Cerro Corona; AIDS threat to South African mining; Second ZCCM package awarded; New tender for Dukat silver; Rhodes to test in-heap bio-leaching in Hungary; Call for stringent environmental regime in South Africa; US gold production analysed.

Industry in Action
p.24 Ukrainian gold failure; Brazilian niobium offer; Manitoban assistance; Kona expansion; Encouragement for Grayd; Indonesians back down on CoWs; Indian's forced off warpath; Mining support for rhinos; Third time lucky for Yauricocha?; Arrests at Wolf River; Kasese starts construction; CVRD job cuts?; Porgera drought relieved; Briny developments; Illinois Creek gold pour; Benoni closure; Neves Corvo strike.

Technology Today
p.28 New Klemm exploration rig; Milling methods set to change; Nordberg's confidence in the future; Intec copper project gets go-ahead.

Avmin Supplement
Avgold Supplement

Focus and Comment
p.30 Anglo American's cutting edge: Just a commodity.
Mineral Markets
p.32 Australian Premier defends gold sale; Lead revival under way; Glencore denies complaint; Vanadium spur.

Mining Finance
p.33 Billiton placing details; Major developments for Newcrest; Davy rewards Kvaerner; KGHM sale under way; Shareholders approve Ashland-Arch coal merger; EC to study JCI-Anglo options deal; Industrias Peñoles issues silver-backed notes; Carpenter Pacific fund raising; South African gold rationalisation as worst-ever results loom; People.