

VGS → SPECTRUM

COLUMBIA GOLD MINES LTD.

887878

15th Floor, 675 W. Hastings Street, Vancouver, B.C., Canada V6B 1N2
Facsimile (604) 687-4991 • Telephone (604) 687-4951

#92-6

August 6, 1992
Vancouver Stock Exchange
Symbol.....COB

PRESS RELEASE

NEW HIGH GRADE GOLD ZONE DRILL INTERSECTED AT SPECTRUM

The first three holes of the 1992 Spectrum Gold Project drill program have been completed on the East Creek Gold Zone. Assay results for the initial hole, DDH 92-87, have been received and are reported below:

<u>HOLE</u>	<u>INTERVAL</u> (Feet)	<u>THICKNESS</u> (Feet)	<u>GOLD GRADE</u> (oz/t)
92-87	149.3 - 157.8	8.5	1.00

The East Creek Zone is new discovery made late in the 1991 field season and has not seen any prior drilling. The zone has been traced on surface by prospecting, trenching and geochemical surveys along a length of 2000 feet. Surface samples assay from 0.34 ounces per ton gold over 8.2 feet to 1.7 ounces per ton gold over 8.5 feet.

Gold-bearing sulphide rich mineralization intersected at a depth of 150 feet in hole 92-87 is identical to that exposed at surface. Gold mineralization is hosted within a structurally controlled quartz-sulphide system within altered volcanic rocks.

This preliminary indication of reserve potential at East Creek is significant. The East Creek Zone occurs 5000 feet along trend and north of the QC and Porphyry Zones where drilling in 1991 outlined a resource in excess of 240,000 ounces gold that remains open for expansion. Gold geochemical anomalies between the East Creek and Porphyry-QC zones warrant drilling. The East Creek gold-sulphide mineralization may represent the northern portion of a 1.7 mile long gold system on the Spectrum Property.

Assays for the next two East Creek drill holes are expected within ten days.



John S. Brock
President

The Vancouver Stock Exchange has not approved and does not accept responsibility for the accuracy or adequacy of this press release.

COLUMBIA GOLD MINES LTD.

15th Floor, 675 W. Hastings Street, Vancouver, B.C., Canada V6B 1N2
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#92-3

June 4, 1992
Vancouver Stock Exchange
Symbol.....COB

PRESS RELEASE

Diamond drilling will get underway at Spectrum in northwest British Columbia later this month. Indicated gold reserves at Spectrum currently stand at 215,000 contained ounces. With 55 drill holes completed to date, 653,000 tons grading 0.33 ounces per ton gold are presently reported. Included within this reserve are 303,000 tons grading 0.46 ounces per ton gold. This year's program will be directed to increasing reserves through step-out drilling. Initially, the 500 Colour Zone will be drilled to test potential around an earlier drill hole which intersected 0.96 ounces gold over 19 feet. The drill will then be moved on-trend and 3,500 feet north to the recently discovered East Creek Zone. At East Creek, trenching last season exposed 1.2 ounces per ton gold over a 14 foot width.

Columbia is considering the possibility of securing a joint venture participant who may have the option to earn up to a 50 percent interest in the Spectrum Project. In this regard, representatives of several senior gold mining companies will be touring Spectrum during the month of July.

Plans are also underway for Tillicum Mountain, Columbia's second gold project, located in southern British Columbia. At Tillicum, indicated gold reserves currently stand at 195,000 contained ounces. During the summer a number of major mining companies will be assessing the Tillicum Project for its bulk tonnage potential with a view to considering joint venture participation. Tillicum has a drill inferred reserve of 1.3 million tons grading 0.17 ounces gold per ton. Higher grade reserves currently stand at 535,000 tons grading 0.37 ounces gold per ton. Work performed to date at Tillicum includes 111 diamond drill holes and underground exploration. Geologic potential exists for significant reserve increases with further diamond drilling.

In summary, Columbia Gold Mines' projects on a combined basis, contain over 400,000 ounces of gold in the ground with good potential for adding to that inventory. Interest has been expressed in both projects by prospective joint venture participants with recognized mining experience.

Columbia is well funded, with \$1.3 million working capital on hand to further its gold projects as well as to pursue acquisition of additional mineral ventures.



John S. Brock
President

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COLUMBIA GOLD MINES LTD.

15th Floor, 675 W. Hastings Street, Vancouver, B.C., Canada V6B 1N2
Facsimile (604) 687-2419 • Telephone (604) 687-4951

#92-2

April 1, 1992
Vancouver Stock Exchange
Symbol.....COB

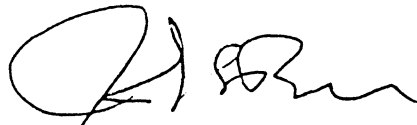
1992 DRILL PROGRAM

With forecasts for an early summer in northwestern British Columbia, plans are now being made for an early June drilling start-up at the Spectrum Gold Property. Columbia recently regained rights to earn a 100 percent interest in the Spectrum Project.

Preparations will be minimal for re-opening of the Spectrum base camp and J.T. Thomas Drilling of Smithers, B.C. will continue for a third consecutive year as diamond drill contractor.

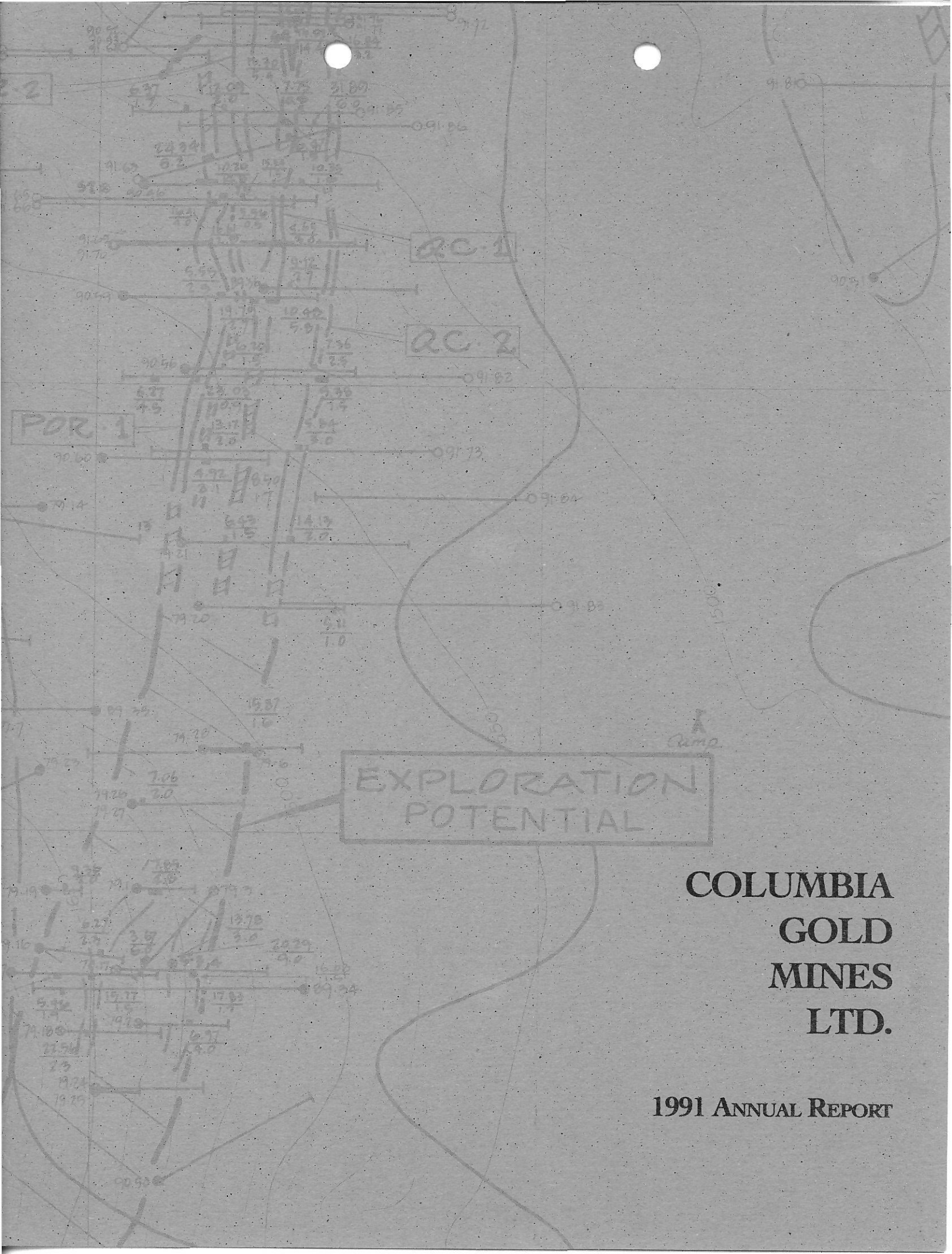
Geological reserves at Spectrum currently stand at 653,000 tons with an average grade of 0.33 ounces per ton gold, this reserve includes 303,000 tons grading 0.46 ounces per ton gold. **The proposed 1992 diamond drilling program will be directed to expanding known reserves** through step-out drilling along strike to the south of the drill-indicated Porphyry and QC Zones as well as to depth on the adjacent 500 Colour Zone. Limited drilling on the 500 Colour Zone intersected gold values grading from 0.29 ounces over 29 feet to 0.96 ounces over 19 feet. **Exploratory drilling is also planned for the East Creek Zone**, where 1.2 ounces per ton gold over 14 feet was discovered late in the 1991 field season. The East Creek Zone lies 3500 feet north and on-trend to the QC-Porphyry.

The 1992 Phase I Drill Program is budgetted to include about 12,000 feet of drilling for a cost of \$500,000. The program will be funded by working capital on hand.



John S. Brock
President

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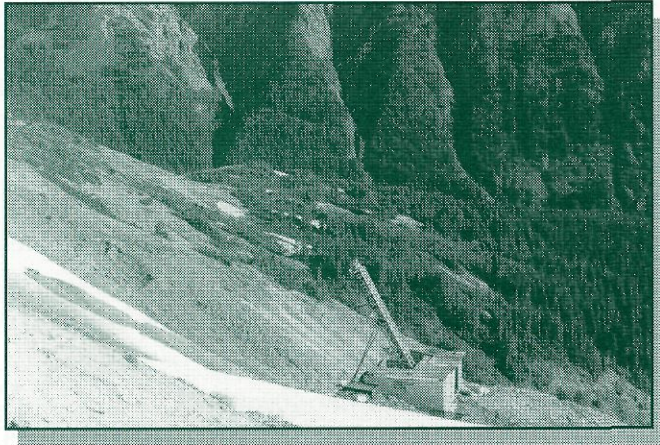


**COLUMBIA
GOLD
MINES
LTD.**

1991 ANNUAL REPORT

CORPORATE PROFILE

DIAMOND DRILLING,
SPECTRUM PROJECT
ABOVE THE PRO-
POSED UNDERGROUND
PORTAL SITE.



DRILL EQUIPMENT IS
PRESENTLY MOVED BY
HELICOPTER AT
SPECTRUM. PLANNED
ROAD ACCESS WILL BE
VIA THE BROAD VALLEY
IN THE BACKGROUND.



Columbia Gold Mines Ltd. has been an active explorer in Western Canada since 1979. Columbia maintains its head office in Vancouver and is publicly traded through the facilities of the Vancouver Stock Exchange.

Management is provided by John S. Brock who serves as President and Wayne J. Roberts, Vice President Exploration. Both are well recognized exploration geologists who over the last 25 years have participated in the discovery of a number of major mineral deposits. In addition, a lifetime of working experience in Western Canada has allowed the development of well established working relations with both junior and major mining joint venture participants and the financial community.

Columbia also benefits by the experience of its Board of Directors, comprised of members with proven financial and mine operating expertise.

PRESIDENT'S REPORT TO SHAREHOLDERS

Columbia Gold Mines Ltd. was one of the few public resource companies in Vancouver last year to make great strides in progressing Western Canadian gold properties along the path of gold reserve definition. Between our Spectrum Project in northwestern British Columbia and our Tillicum Project in southeastern British Columbia, we have a combined total of over 400,000 ounces of drill indicated gold in the ground. Last year saw 13,000 feet of diamond drilling at Spectrum and a bulk sample shipment from Tillicum, all of which increased Columbia's stature as a growing gold resource company with near-term production potential. Our exploration successes at Spectrum and Tillicum are highlighted within this report.

A pessimistic atmosphere prevails in the Canadian mining industry, caused largely by low gold prices, environmental and political concerns and a weak economy. Your Board of Directors choose to take a more positive view. Your Company has 100 percent ownership of two quality, high grade gold properties with opportunity for production. As we believe that gold prices will strengthen during the years ahead, we plan to continue with exploration and development of our resource properties and seek addi-

tional acquisitions. We are optimistic that our politicians will realize the growing exodus of exploration financing and activity from Canada signals a loss of jobs and revenue and accordingly will take steps to quickly re-build a strong mining industry in B.C. Fortunately, Columbia is well financed with \$1.3 million uncommitted working capital and can therefore weather present economic uncertainty and look to continued building of assets.

During the past year, work at Spectrum was financed under an option agreement with Eurus Resources which contributed \$1.0 million to the project. Faced with a \$2.0 million expenditure requirement in 1992 and other priorities, Eurus elected to relinquish its option.

As we look forward to 1992, we propose to move ahead with continued drilling at Spectrum, the objective being to step out beyond our presently indicated reserves in order to determine ultimate size potential. We are confident that potential exists for a one million ounce gold reserve at Spectrum. Expressions of interest have been received from several major mining companies regarding the possibility of joint venture and, in that regard,

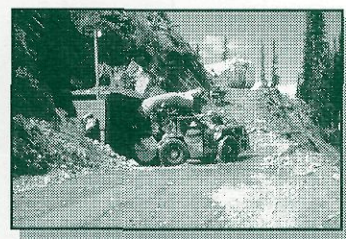
discussions will proceed in the months ahead. Similarly, the possibility of joint venture participation exists for Tillicum and we are hopeful that major joint venture financing for further development at Tillicum will be secured this year.

On Behalf of the Board,



John S. Brock
President and Chief Executive Officer

April 23, 1992



UNDERGROUND WORKINGS,

TILLICUM GOLD PROPERTY.

SPECTRUM PROJECT

During 1991, the Spectrum Project Exploration Program continued to delineate geological reserves within high-grade zones. With continued exploration in 1992 there is good potential for building a one million ounce gold reserve at the Spectrum Property. A bulk tonnage target of low grade gold-copper mineralization has also been outlined. The 10 square mile Spectrum Property is located in the North Iskut District of the Stikine Arch Region in northwestern British Columbia. The claims are easily accessed, being 16 miles east of the Stewart-Cassiar Highway and 8 miles north of a nearby forestry road.

Columbia Gold Mines Ltd., through an option agreement with the Northair Group of companies, may earn a 100% interest in the property, subject to a capped 1 to 3% net smelter return royalty.

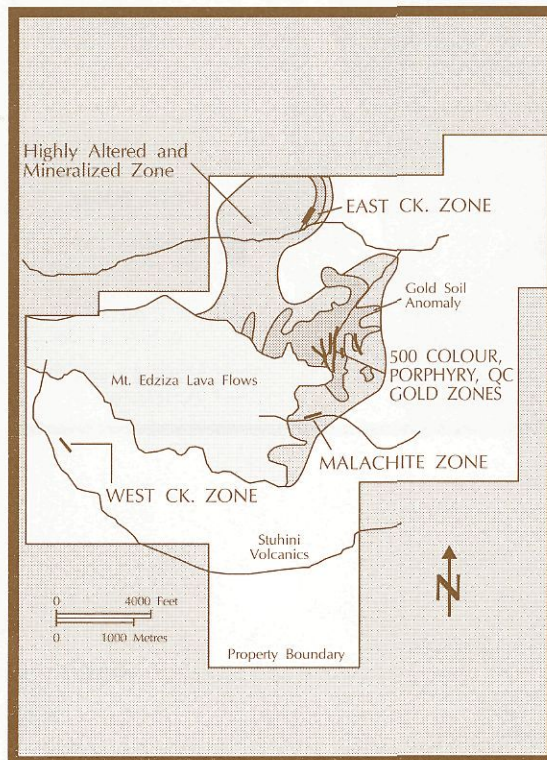
Zones of gold mineralization and related gold soil geochem anomalies occur within an area measuring 1 mile by 2 miles. Two styles of mineralization have been outlined. Structurally controlled zones present the principal target for developing high-grade gold reserves. Gold is hosted within a series of north-south trending, steeply dipping silicified zones in altered volcanic rocks. These zones, containing pre-

dominantly native gold, assay to 0.93 oz/ton gold over 19.7 feet in drill holes.

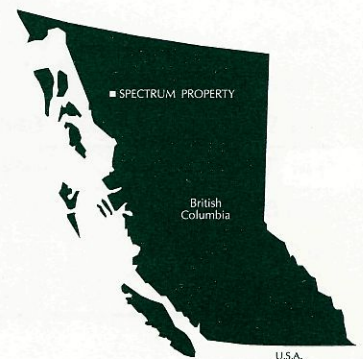
A bulk tonnage target containing disseminated copper along with low-grade gold values is hosted in altered intrusive and adjacent volcanic rocks where drill holes have delineated wide zones grading 0.22% copper and 0.10 oz/ton gold over 177 feet.

The sub-parallel QC, Porphyry and 500 Colour Zones have only been

partially tested over widths varying from 3 to 50 feet along a length of 3,300 feet and to a depth of 500 feet. To date, completion of 55 drill holes has yielded a preliminary geological reserve, calculated by an independent engineering consultant, of 652,000 tons grading 0.33 oz/ton gold using a 0.15 oz/ton cut-off. Higher grade reserves calculated with a 0.29 oz/ton gold cut-off total 303,000 tons with an average grade of 0.46 oz/ton gold. All reserves remain open with excellent possibility for increasing tonnage.



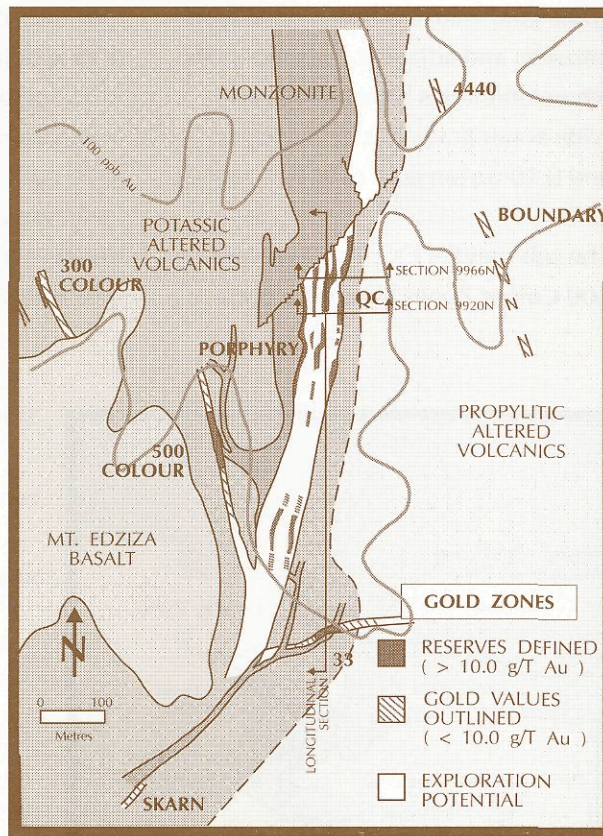
THIS MAP SHOWS GOLD ZONE LOCATIONS ON THE 10 SQUARE MILE SPECTRUM PROPERTY



Exploration within the Property has outlined two additional gold zones that hold promise for augmenting reserves. The East Creek Zone with an indicated

length of over 2,000 feet has been chip sampled with assays of 1.1 oz/ton gold across 15.7 feet. The West Creek Showing assayed 1.10 oz/ton gold over 13.5 feet.

A GEOLOGICAL
 COMPILATION OF THE QC,
 PORPHYRY AND 500 COLOUR
 GOLD ZONES ON THE
 SPECTRUM PROPERTY.



In summary, the Spectrum Project hosts a large gold system that contains both structurally controlled high-grade and bulk tonnage low-grade gold mineralization. Work to date has progressed the Property to an advanced stage of exploration, with reserves being defined and good potential demonstrated for reserve expansion.

The proposed 1992 diamond drilling program will be directed to increasing known reserves through step-out drilling within the Porphyry, QC and 500 Colour Zones. Limited drilling on the 500 Colour Zone intersected gold values grading 0.29 oz/ton over 29 feet to 0.96 oz/ton over 19 feet. Exploratory drilling is also planned for the East Creek Zone which lies 3,500 feet north and on-trend to the QC-Porphyry mineralization.

The planned 1992 Phase I Drill Program will include about 12,000 feet of drilling. The Program will be funded by working capital on hand.

TILlicum GOLD PROPERTY

Columbia Gold Mines Ltd. owns 100 percent of the Tillicum Mountain Gold Property located in southeastern British Columbia. The Company has progressed the property to an advanced stage of ore reserve definition through a \$10 million program of surface and underground exploration. Numerous precious metal zones have been defined on the property, with the majority of work being directed to the East Ridge and Heino-Money deposits.

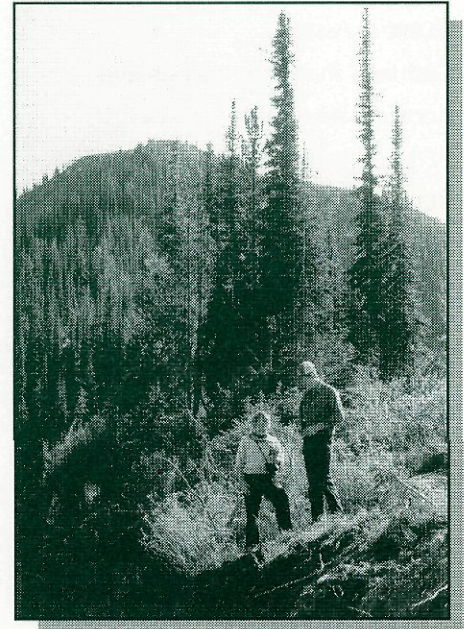
Exploration on the East Ridge deposit comprises diamond drilling of 111 holes together with about 1,000 feet of exploratory underground drifting. Total drill indicated and inferred reserves currently stand at 1,306,000 tons grading 0.17 oz/ton gold. Within this reserve, a drill indicated reserve has been established of 485,000 tons with an in-situ grade of 0.30 oz/ton gold. The deposit contains several sub-parallel zones varying from 5 to 15 feet wide along a strike length of 3,500 feet and to a depth of 1,200 feet. It remains open and holds good possibilities of increased tonnage.

The Heino-Money deposit lies 1,000 feet west of the East Ridge Deposit and has been demonstrated by drilling and underground exploration to have a reserve potential of 50,000 tons grad-

ing 1.0 ounces per ton gold. Metallurgical testing of a 3,700 ton bulk sample mined from the Heino-Money zone indicated that in excess of 92 percent recovery can be achieved in a conventional gravity flotation.

During 1991 the Goldstream Mine near Revelstoke was considered for custom milling and concentrating of Tillicum ore. For test purposes a 1,400 ton bulk sample was shipped to Goldstream; however, gold recovery did not meet expectations. Plans are being considered to make test shipments to other custom mill facilities in southern British Columbia in 1992.

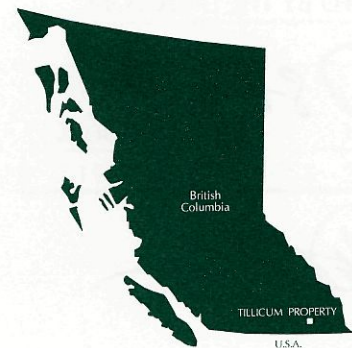
Columbia Gold is seeking joint venture participation to continue with exploration on the Tillicum property.



PROSPECTORS, ARNIE AND ELAINE

GUSTAFSON, THE DISCOVERERS OF THE

TILlicum GOLD PROPERTY.

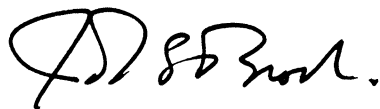


CONSOLIDATED BALANCE SHEETS

As at December 31, 1991 and 1990

	<u>1991</u>	<u>1990</u>
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	\$ 1,242,465	\$ 723,324
Accounts receivable	88,252	7,061
	<u>1,330,717</u>	<u>730,385</u>
RESTRICTED CASH (note 3)	40,000	40,000
RESOURCE ASSETS (note 4)	10,488,314	9,984,602
FIXED ASSETS (note 5)	212,108	305,278
	<u>\$ 12,071,139</u>	<u>\$ 11,060,265</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 5,985	\$ 15,895
Due to affiliated companies (note 7)	12,050	9,937
	<u>18,035</u>	<u>25,832</u>
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (note 6)		
Authorized -		
100,000,000 common shares without par value		
Issued and fully paid -		
8,830,131 common shares (1990 - 7,553,959)	14,211,018	13,085,394
DEFICIT	<u>(2,157,914)</u>	<u>(2,050,961)</u>
	<u>12,053,104</u>	<u>11,034,433</u>
	<u>\$ 12,071,139</u>	<u>\$ 11,060,265</u>

APPROVED BY THE DIRECTORS



Director



Director

COLUMBIA GOLD MINES LTD

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

For the Years Ended December 31, 1991 and 1990

	1991	1990
ADMINISTRATION EXPENSES		
Bank charges and interest	\$ 979	\$ 7,838
Depreciation	908	1,017
Fiscal agency fees	22,250	
Insurance	1,049	1,839
Legal and accounting	25,759	37,925
Management fee		60,000
Miscellaneous	281	1,993
Office facilities	20,355	
Office operations	20,571	10,733
Salaries and wages	62,740	
Shareholder communication	32,177	10,278
Telephone and telecopier	3,718	1,401
Transfer agent and stock exchange fees	15,804	22,123
Travel and promotion	5,212	8,386
	211,803	163,533
OTHER EXPENSES (INCOME)		
Gain on sale of fixed assets	(4,791)	(800)
Write-off of general exploration expenses and deferred costs (in 1990 net of option payment of \$21,154)	1,299	33,196
Write-off of cost of mineral properties		61,621
Interest income	(97,869)	(38,896)
Gain on sale of investments		(13,003)
Other income	(3,489)	(828)
	(104,850)	41,290
LOSS FOR THE YEAR	106,953	204,823
Deficit - Beginning of Year	2,050,961	1,846,138
DEFICIT - END OF YEAR	\$ 2,157,914	\$ 2,050,961

CONSOLIDATED STATEMENTS OF DEFERRED COSTS

For the Years Ended December 31, 1991 and 1990

	1991	1990
EXPENDITURES DURING THE YEAR		
Assays and geochemical analysis	\$ (195)	\$ 48,666
Camp maintenance	4,175	17,562
Consulting - geological, metallurgical and legal	26,902	51,697
Depreciation	89,717	128,111
Drilling		211,178
Expediting	1,115	7,652
Field supplies	11,011	24,062
Fuel	1,151	10,813
Maps, printing and drafting	1,108	11,101
Miscellaneous	3,295	15,374
Project management fees - paid	14,666	66,014
Project management fees - received	(64,958)	
Salaries and wages	57,745	116,377
Transportation	53,040	158,333
Trenching		20,901
NET EXPENDITURES DURING THE YEAR	198,772	887,841
BALANCE - BEGINNING OF YEAR	8,861,143	8,027,652
	9,059,915	8,915,493
Less: General exploration expenses	1,299	133
Costs written off		54,217
BALANCE - END OF YEAR (carry forward to note 4)	\$ 9,058,616	\$ 8,861,143

C O L U M B I A G O L D M I N E S L T D .

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the Years Ended December 31, 1991 and 1990

	1991	1990
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Loss for the year	\$ (106,953)	\$ (204,823)
Items not affecting cash -		
Write-off of cost of mineral properties		61,621
Write-off of general exploration expenses and deferred costs	1,299	33,196
Gain on sale of investments		(13,003)
Depreciation	908	1,017
Gain on sale of fixed assets	(4,791)	(800)
	(109,537)	(122,792)
Changes in non-cash working capital items	(88,988)	(84,230)
	(198,525)	(207,022)
FINANCING ACTIVITIES		
Issue of capital stock -		
For cash	1,104,572	1,799,116
As payment of share issue costs		55,288
As payment of debt	22,250	
Share issue costs	(1,198)	(81,955)
	1,125,624	1,772,449
INVESTING ACTIVITIES		
Deposit for reclamation permit		(10,000)
Deferred costs (net of depreciation of \$89,717; 1990 - \$128,111)	(109,055)	(759,730)
Mineral properties	(306,239)	(110,696)
Purchase of fixed assets	(1,304)	(5,858)
Proceeds on sale of investments		16,693
Proceeds on sale of fixed assets	8,640	2,250
	(407,958)	(867,341)
INCREASE IN CASH AND SHORT-TERM INVESTMENTS	519,141	698,086
CASH AND SHORT-TERM INVESTMENTS - BEGINNING OF YEAR	723,324	25,238
CASH AND SHORT-TERM INVESTMENTS - END OF YEAR	\$ 1,242,465	\$ 723,324

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1991 and 1990

1. NATURE OF OPERATIONS

The company is in the process of exploring its mineral properties and has not yet determined whether these 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 the necessary financing to complete the development, and upon future profitable production.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

The consolidated financial statements include the accounts of the company and its wholly owned subsidiary (inactive).

(b) Interests in Mineral Properties and Related Deferred Costs

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. 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.

The company expenses all administration costs incurred during the year.

(c) Fixed Assets

Fixed assets are recorded at cost less accumulated depreciation. Depreciation is provided on the declining balance basis at the annual rate of 30% for all fixed assets.

(d) Mineral Property Option Agreements

Options are exercisable at the discretion of the optionee and, accordingly, are accounted for on a cash basis. Option payments received are treated as a reduction of the carrying value of the related mineral property and deferred costs until the company's costs on the related property are recovered. Option payments received in excess of costs incurred are credited to income.

(e) Flow-Through Common Shares

The company credits the full amount of proceeds of flow-through shares, which give rise to a transfer of the deductibility of exploration expenses to the investor, including the premium paid for such tax deductions, to share capital.

(f) Loss per Common Share

Loss per common share has not been calculated as it would not be meaningful at this stage in the company's operations.

3. RESTRICTED CASH

Term deposits in the amount of \$40,000 (1990 - \$40,000) have been pledged to the British Columbia Ministry of Energy, Mines and Petroleum Resources as security for reclamation permits.

4. RESOURCE ASSETS

	1991	1990
Cost of mineral properties	\$ 1,454,854	\$ 1,148,615
Deferred costs, net of proceeds on sale of bulk sample ore shipments of \$1,334,941 in 1990	9,058,616	8,861,143
	10,513,470	10,009,758
Less: Property option payments received	25,156	25,156
	<u>\$ 10,488,314</u>	<u>\$ 9,984,602</u>

The company owns, or is acquiring under options, mineral properties, or interests therein, all of which are located in British Columbia.

- (a) The company has made all option payments required to earn its 100% interest in the Tillicum property subject only to a minimum annual net smelter return royalty of the greater of \$80,000 or 3% of net smelter returns.
- (b) The company had entered into option agreements to earn a 70% interest in the Spectrum and Hawk properties. During the year, the company amended these agreements and increased this earnable interest to 100%. To fully exercise these options the company must:
- i. With respect to the Hawk property
 - make a cash payment of \$60,000 by August 1, 1992
 - elect on an optional basis to incur, or cause to be incurred, exploration expenditure of \$180,000 in 1992, \$200,000 in 1993, \$250,000 in 1994 and 1995.
 - ii. With respect to the Spectrum property
 - make a cash option payment of \$105,000 by August 1, 1992
 - elect on an optional basis to incur, or cause to be incurred, exploration expenditures of \$2,950,000 by December 31, 1997. To date, the company has met \$1,700,000 of this expenditure.
- Upon earning of a 100% interest, the properties will be subject to a net smelter return royalty.

COLUMBIA GOLD MINES LTD.

5. FIXED ASSETS

	1991	1990
Cost -		
Office equipment	\$ 7,557	\$ 6,252
Field equipment	588,683	601,884
Vehicle	17,385	17,385
	613,625	625,521
Less: Accumulated depreciation	401,517	320,243
	\$ 212,108	\$ 305,278
Net book value -		
Office equipment	\$ 2,770	\$ 2,373
Field equipment	205,299	297,135
Vehicles	4,039	5,770
	\$ 212,108	\$ 305,278

6. CAPITAL STOCK

	1991		1990	
	Number of shares	Amount	Number of shares	Amount
Authorized -				
100,000,000 common shares without par value				
Issued and fully paid - Beginning of year				
For cash	4,881,112	\$ 8,582,073	3,007,215	\$ 7,382,957
For mineral properties	364,879	621,088	364,879	621,088
Pursuant to flow-through arrangements	2,197,391	3,908,900	997,391	3,308,900
For share issue costs	110,577	55,288		
Less: Share issue costs		(81,955)		
	7,553,959	13,085,394	4,369,485	11,312,945
Issued during the year -				
For cash	1,251,172	1,104,572	1,873,897	1,199,116
As payment of share issue costs			110,577	55,288
For services rendered under fiscal agency agreement	25,000	22,250		
For cash (flow-through arrangements)			1,200,000	600,000
Less: Share issue costs		(1,198)		(81,955)
Issued - End of year	8,830,131	\$14,211,018	7,553,959	\$13,085,394

The company is required to issue an additional 25,000 shares having an ascribed value of \$22,500 by June 24, 1992 for services rendered under the fiscal agency agreement from July 23, 1991 to June 24, 1992.

(a) Stock Options

In 1991, the company granted new stock options to directors and employees to purchase 398,333 (1990 - 522,500) common shares of the company for prices ranging from \$0.60 per share to \$1.01 per share (1990 - \$0.60 per share to \$0.70 per share).

Options to directors and employees to purchase 380,000 (1990 - nil) common shares of the company were exercised during 1991.

At December 31, 1991, options to purchase 500,833 (1990 - 482,500) common shares of the company remain outstanding to directors and employees.

(b) Share Purchase Warrants

During 1991, 871,172 (1990 - nil) shares in the common stock of the company were issued at a price of \$1.00 per share pursuant to the exercise of share purchase warrants. Additional warrants for 2,202,725 shares expired during 1991. At December 31, 1991 no share purchase warrants were outstanding.

COLUMBIA GOLD MINES LTD.

7. RELATED PARTY TRANSACTIONS

Fees have been paid to related parties as follows:

	Project management fees	Administrative management fees	Office and administrative costs	Interest
1991 - John S. Brock Ltd.	\$ 14,666	\$ Nil	\$ 100,729	\$ Nil
1990 - Welcome North Resources Inc. - John S. Brock Ltd.	\$ 4,323 61,691	\$ 32,000 28,000	\$	\$ 7,001
	<u>\$ 66,014</u>	<u>\$ 60,000</u>	<u>\$ Nil</u>	<u>\$ 7,001</u>

The company has a management agreement with John S. Brock Ltd., a company controlled by the president of the company. The company pays John S. Brock Ltd. the following:

- its pro rata share of administrative and office facilities costs charged at cost
- exploration project management fees at 10% of net exploration costs.

Office and administrative costs for 1990 were included in administrative management fees.

Amounts payable to John S. Brock Ltd. at December 31, 1991 of \$12,050 (1990 - \$9,937) are included in amounts due to affiliated companies.

8. INCOME TAX INFORMATION

The company has renounced \$4,575,349 (1990 - \$4,533,500) of Canadian Exploration Expenditures, which will not be deductible by the company for income tax purposes.

AUDITORS' REPORT

TO THE SHAREHOLDERS OF COLUMBIA GOLD MINES LTD.

We have audited the consolidated balance sheets of Columbia Gold Mines Ltd. as at December 31, 1991 and 1990 and the consolidated statements of loss and deficit, deferred costs and changes in financial position for the years then ended. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1991 and 1990 and the results of its operations and the changes in its financial position for the years then ended in accordance with 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.

Coopers & Lybrand

Vancouver, B.C.
March 13, 1992

