

*TRICKSON
GOLD*

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ANNUAL REPORT 1989

**We believe we can
accomplish our main goal
of increasing the real,
long-term value of
the Company for the benefit
of our shareholders.**

1989 EXPLORATION ACTIVITY

TOTAL Energold Corporation continued an energetic search for new deposits throughout Canada and the western United States in 1989. An exploration staff of 15 individuals operating from offices in Vancouver, Toronto, Timmins, Whitehorse and Reno, managed expenditures of \$17.8 million, of which \$6.8 million was dedicated to the Tundra project, and \$1.4 and \$1.0 million to Erickson and Mount Skukum respectively.

TOTAL Energold carried out active exploration on 18 projects with drilling on 8. Landholdings at year-end totalled 4,547 claims or 1,808 sq. km in 10 different jurisdictions.

Western Canada

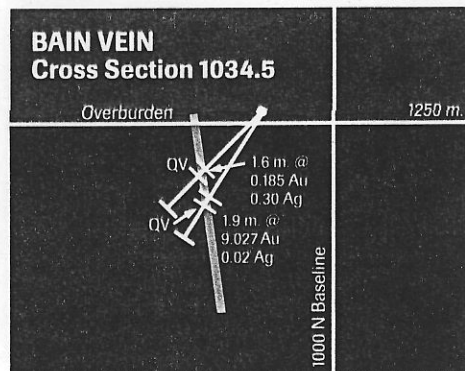
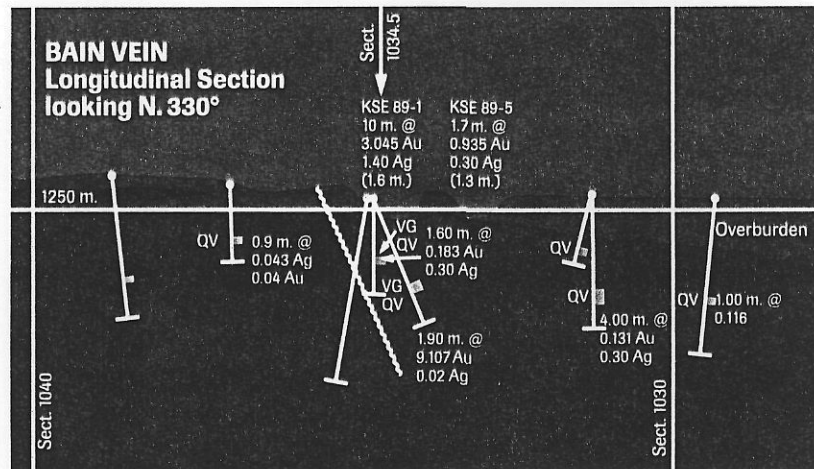
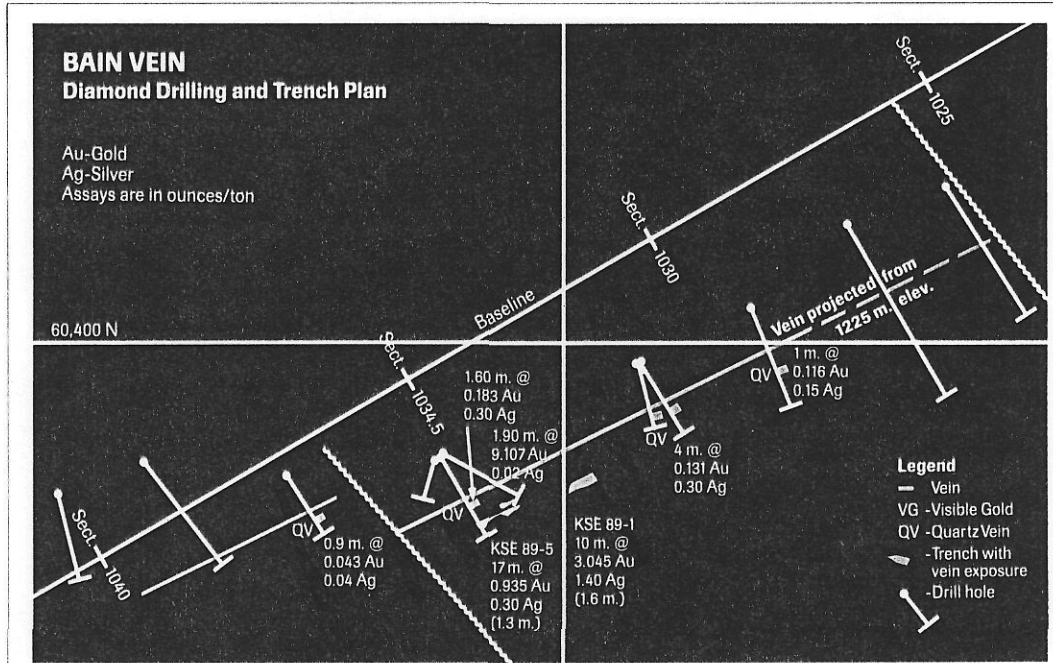
The Company's mining operations at Erickson near Cassiar, B.C. and at Mount Skukum near Whitehorse, Yukon remained closed, while exploration for additional reserves continued in 1989.

MOUNT SKUKUM

The Mount Skukum property covers some 145.3 sq. km. of prospective ground, which is 37%-owned by TOTAL Energold, the project operator, and 63% by AGIP. Exploration in 1989 involved drilling in three relatively untested major structures, the Tango, Goat and Ocean Veins, with unencouraging results. Prospecting, sampling and mapping have identified several targets on the property that merit further exploration. In addition, the camp, mill facility and tailings disposal site are valuable assets to surrounding properties in the Wheaton River district. AGIP and TOTAL Energold are currently seeking to determine the value of these assets.

ERICKSON

At the Erickson property, which totals 242 claims (306.9 sq. km.) and is located 15 km. south of Cassiar, B.C., the



driving of the 10 Level drift towards the Michelle high-grade vein continued until September 1, 1989. The drift was temporarily halted 900 m. from its destination to allow funds

to be diverted towards exploration of two nearby surface discoveries, the Heather and Bain Veins. As well, exploration east of the Erickson Creek structure continued to lend encouragement that major vein structures similar to the Jennie and Maura Vein systems may exist in this previously

TOTAL Energold has redirected its exploration efforts towards targets which have the opportunity to provide large, long-life/low/cost production reserves that will provide us with stable, long-term cash flow vital to future growth.

underexplored part of the property. The 1990 exploration program will further test the area east of Erickson Creek, the vicinity of the Heather and Bain Veins, and their extensions, as well as additional targets elsewhere on the property. It is expected that the objective of 200,000 tons of drill-indicated reserves grading 0.5 ounces gold per ton may be attained by mid-1991 so production at Erickson can recommence.

DOMES MOUNTAIN

In keeping with the Company's intention to refocus its objectives towards the acquisition and development of major gold reserves, and to resolve outstanding legal issues, TOTAL Energold sold its rights in the Dome Mountain properties for 3 million shares (approximately 18% of issued stock) in Teeshin Resources Ltd., and 1.8 million shares (approximately 19% of issued stock) in Canadian-United Minerals Inc. TOTAL Energold continues to hold a 15% net profits interest in Dome Mountain purchasable by Teeshin or Canadian-United for \$1.4 million.

O'BRIEN

The O'Brien properties, under option from Cody Hawk Resources Ltd. and Kim Hudson, total 233 claims (48.7 sq. km.) and are located 65 km. north east of Dawson, Yukon. TOTAL Energold has the right to earn a 60% interest by expending \$1.5 million on exploration before December 31, 1993, and paying \$170,000 to Cody Hawk and Hudson.

In 1989, the Company spent \$570,000 on exploration of these claims, including an airborne EM/Magnetic survey, surface geophysics, trenching, mapping, soil sampling and 765 m. of diamond drilling in 6 holes on a major vein structure. Mineralization on the AJ vein, although locally very high grade, was found to be discontinuous. Several attractive exploration targets remain to be explored in 1990.

LOGAN

TOTAL Energold earned a 50% interest and purchased a further 10% interest from Fairfield Minerals Ltd., as well as becoming operator of this project in early 1989. The property, located 114 km. northwest of Watson Lake, Yukon hosts a zinc stock-work zone with a mineral inventory estimated by Cordilleran Engineering to be 13.5 million tons, grading 6.17% zinc and 0.77 ounces of silver per ton. TOTAL Energold and Fairfield are seeking to sell, or joint venture, their interest in this mineral resource to a base metals producer with the necessary financial and operating capability.

CLEAR LAKE

Clear Lake, located at the confluence of the Pelly and MacMillan Rivers 110 km. north west of Faro, Yukon, was restaked by TOTAL Energold with 505 claims covering 105.3 sq. km. and at least eight as yet undrilled geophysical targets. 40 holes drilled by Conwest and Getty in 1980-83 outlined a resource of 6.14 million tons, grading 11.35% zinc, 2.00% lead and 1.11 ounces silver per ton in a steeply dipping lens which remains open at depth, and may be repeated in the Devono-Mississippian, sedimentary-volcanic stratigraphy. In late 1989, the Company purchased a 5% NSR (on a 51% interest held by TEC) from Conwest for 200,000 shares. USX holds a 20.4% interest and TOTAL Energold, the operator, 79.6%.

The Company plans to conduct definition drilling and metallurgical testing on the Clear Lake Zone and its extensions, as well as initial drill testing of the remaining targets on the property in conjunction with a joint-venture partner with technical expertise in the exploration and development of this type of deposit.

Eastern Canada

In order to focus its exploration activity in Ontario and Quebec more cost-effectively, the Company decided to close its Toronto office in early 1990, thereby substantially reducing exploration overhead. The Timmins, Ontario office will serve as the organizational base for TOTAL Energold's eastern Canadian exploration effort, with an expanded staff including a district manager and two senior project geologists.

TUNDRA

The underground exploration program begun in July, 1988 at the Tundra project (TOTAL Energold: 49%) was completed in December 1989 by Noranda, the project operator. A 472 m. two-compartment shaft was sunk. 767.4 m. of drill drift, 359.7 m. of cross-cuts, 629.2 m. of ore drifts and six raises totalling 131.3 m. were driven. 125 underground diamond drill holes (26,664.9 m.) and 36 bazzooka holes (582.18 m.) were drilled and a 1,283 tonne bulk sample was prepared. Results from this work, coupled with extensive metallurgical testwork and a pre-feasibility study prepared under the direction of Wright Engineers Ltd., indicates that the deposit, although

In 1988, TOTAL Energold continued to operate its two gold mines in Western Canada. The Erickson Gold Mine, located at Cassiar in northern British Columbia, and the Mount Skukum Gold Mine, located approximately 50 miles southwest of Whitehorse, Yukon, produced 18,714 ounces of gold for the company's account, compared to record production of 53,245 ounces in 1987. An additional 3,282 ounces of gold was produced for the company's account by the Tisdale joint venture's gold property near Timmins, Ontario.

Both operations were adversely affected by declining economic reserves and reduced ore grades. Mining and milling operations were suspended at the two mines in the latter half of 1988.

Erickson Gold Mine

The Erickson Mine is wholly-owned by TOTAL Energold. It is a classic mesothermal, volcanic-hosted, multi-vein type underground gold mine, situated within an 80 square mile property package whose

exploration potential remains largely untested. Since commencement of production in 1979, the mine has yielded over 230,000 ounces of gold.

In 1988, 79,247 tons of ore grading 0.224 ounces gold per ton were milled, and 16,709 ounces of gold were produced. This compares with 95,179 tons with an average mill feed grade of 0.42 ounces gold per ton in 1987 when the mine produced 36,847 ounces of gold. On November 7, 1988, the company announced the temporary suspension of production at this mine due to the limited availability of economic ore reserves required for continuous and profitable mining.

In October 1988, work on a 2.5 km exploration adit commenced. The target of the adit - the Michelle Extension Vein - is an area of drill-indicated ore reserves estimated to hold 25,000 tons with a cut grade of one ounce gold per ton. This new adit will also provide access to an area highly prospective for additional high-grade reserves. The adit and associated underground drilling are expected to be completed by early 1990.

CONSOLIDATED MINE OPERATING STATISTICS

For the Year Ended December 31

(All operations!)

	1988	1987	1986	1985	1984
Ore milled					
tons	101,109	202,138	112,767	68,835	91,660
daily average	302	554	309	189	251
Average mill feed grade					
gold - ounces/ton	0.21	0.43	0.52	0.37	0.31
silver - ounces/ton (estimated)	0.28	0.30	0.33	0.14	0.26
Metal recovery					
gold - percent	93	93	91	93	88
silver - percent (estimated)	85	87	75	85	74
Metal produced					
gold - ounces	22,128	81,167	54,265	19,363	25,076
silver - ounces (estimated)	26,082	52,470	31,080	15,461	15,291
Metal produced - to TOTAL Energold's Account					
gold - ounces	18,714 ⁽¹⁾	53,245	35,363	19,363	25,076
silver - ounces (estimated)	23,305	30,840	16,598	15,461	15,291
Operating cost/ton of ore, CDNS	\$135.63	\$104.65	\$102.43	\$ 78.13	\$ 96.22
Operating cost/ounce of gold, CDNS	\$658.53	\$264.85	\$170.43	\$277.75	\$33.18
Average price of gold during period					
per troy ounce, CDNS	\$537.95	\$553.72	\$548.63	\$433.14	\$466.70
per troy ounce, US\$	\$437.05	\$415.99	\$396.45	\$317.27	\$360.44

⁽¹⁾Figures do not include production from Tisdale Joint Venture.

NOVEMBER 6, 1987

UPDATE

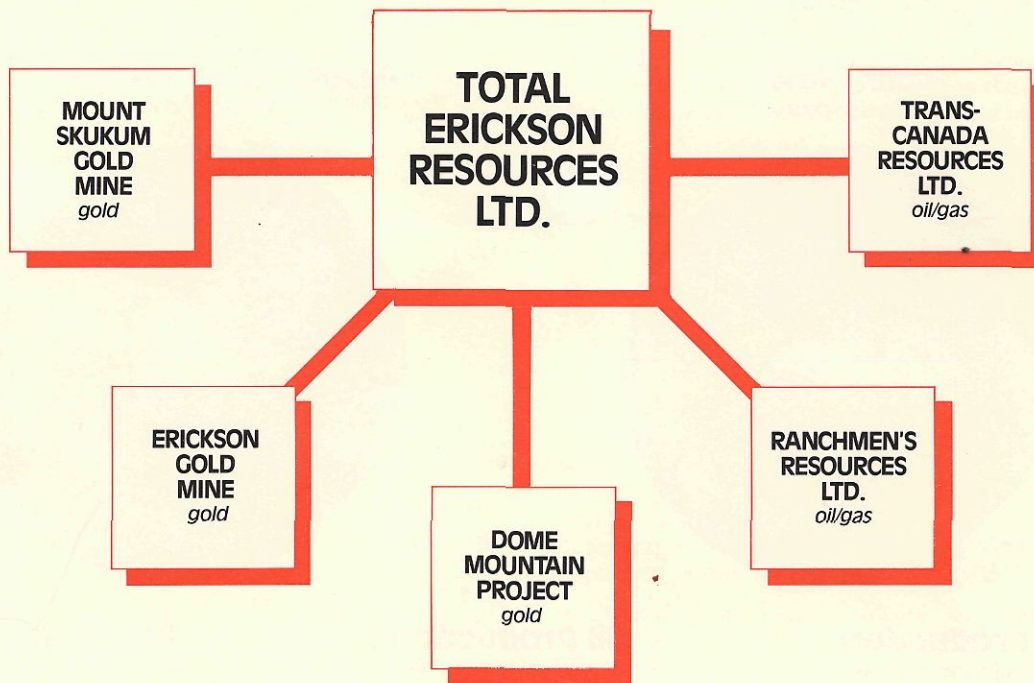
for shareholders, investors and financial analysts.

TOTAL ERICKSON RESOURCES LTD.

Producers, explorers and developers of gold, oil and gas.

HIGHLIGHTS

- *Dome Mountain Gold Project planned for operation in 1988*
- *Total Erickson increases interest in Trans-Canada Resources*
- *Several exciting new precious metals exploration projects*



TOTAL ERICKSON

Total Erickson Resources Ltd. is a growing North American resource corporation. The Total Erickson Group of Companies (i.e.: Total Erickson, Ranchmen's Resources Ltd. and Trans-Canada Resources Ltd.) produces gold in British Columbia and the Yukon and oil and gas in Alberta and Saskatchewan. This Group, with total assets of over \$213 million, is actively seeking new resource opportunities.

In 1987, gold production from mines operated by Total Erickson is anticipated to be 80,000 ounces and hydrocarbons production should exceed 3410 barrels of oil and 15 million cubic feet of gas per day.

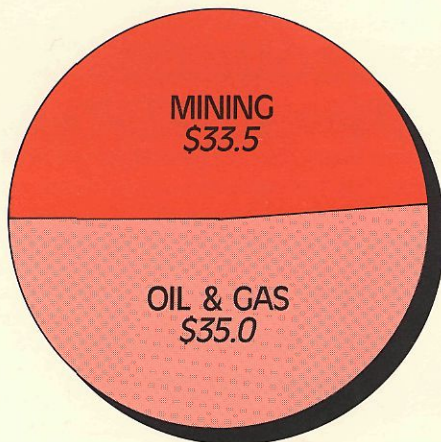
In 1987 this Group of Companies will have total revenues exceeding \$68 million and cash flow of over \$26 million. At September 30, 1987, Total Erickson had 34,465,544 shares issued.

TOTAL ERICKSON GROUP OF COMPANIES

Total Erickson Resources Ltd., Ranchmen's Resources Ltd., Trans-Canada Resources Ltd.

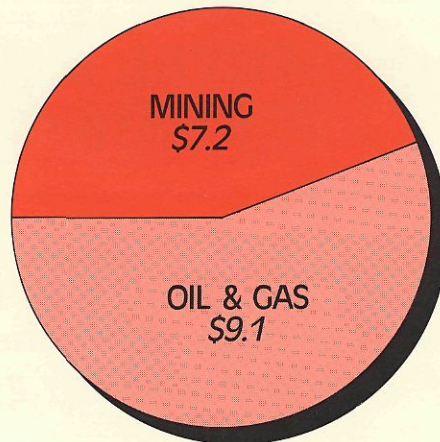
Revenue

(millions of dollars)



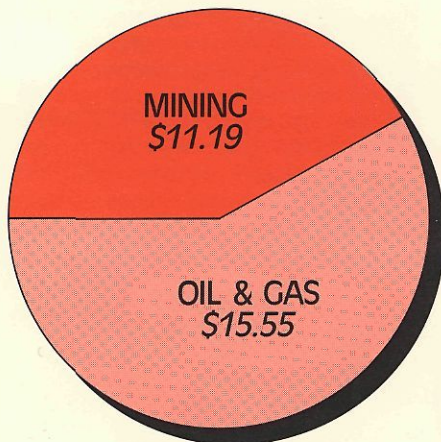
Capital Expenditures

(millions of dollars)



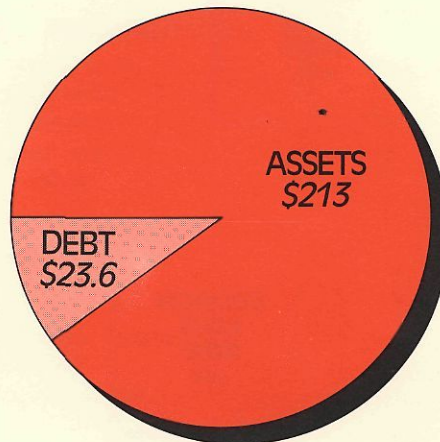
Cash Flow

(millions of dollars)



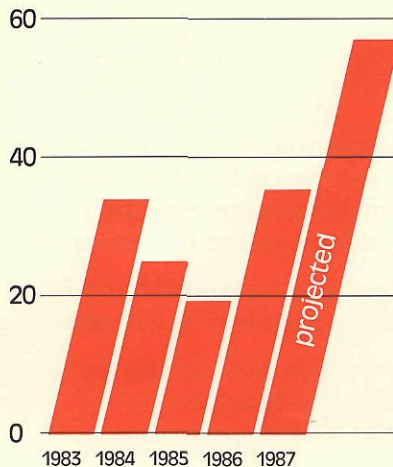
Assets - Long Term Debt

(millions of dollars)



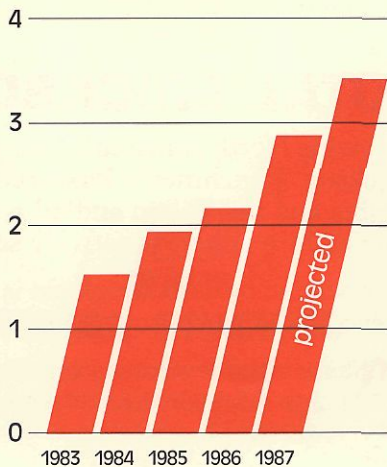
Gold Production

(thousands of ounces per year)



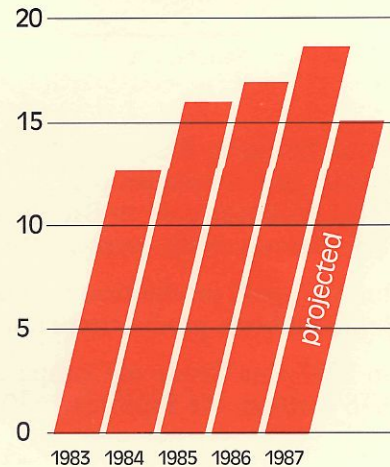
Oil Production

(thousands of barrels per day)



Gas Production

(millions of cubic feet per day)



GOLD

Mount Skukum Gold Mine

The Mount Skukum Gold Mine is located 90 road kilometres south-west of Whitehorse in the Yukon Territory. Total Erickson is the operator of the mine on behalf of the joint-venture: Total Erickson (37%) - AGIP (63%).

The plant commenced production in the first quarter of 1986, producing its first gold dore bar March, 1986. The nominally 300 tons per day mill utilizes conventional crushing, grinding and cyanidation. The ore occurs within complex epithermal vein systems localized along fault structures within the tertiary volcanic sequence. To

September 30, 1987, the Mount Skukum Gold Mine has produced 68,998 ounces of gold from 165,010 tons of ore, at an average grade of 0.456 ounces of gold per ton. Consolidated 1987 (nine months) operating statistics from the Mount Skukum and Erickson Gold Mines are reported below. The mine property has undergone relatively little exploration to date; the 1987 exploration results as well as the exploration potential around the mine and on the 45 square mile property are excellent.

The Erickson Gold Mine

The Erickson Gold Mine is located 12 road kilometres south-east of Cassiar in Northern British Columbia. Operations at the 100% owned (subject in part to various underlying agreements) Erickson Gold Mine started in late December, 1978, at 85 tons per day. Over the years, the production rate has gradually increased to the current 300 tons per day.

Currently, the mill produces two concentrates: a high-grade gravity concentrate and a floatation concentrate; however, test work is now being evaluated which we expect will lead to on-site gold dore bar production, and thereby increasing cash flow from Erickson.

The mine is a classic mesothermal volcanic hosted multi-vein type underground gold mine, with gold occurring in ore shoots within the quartz veins. Erickson controls 85 square miles of favourable geology; the bulk of the Erickson Gold Camp. Traditionally, the Erickson Gold Mine has carried one to three years of ore reserves. To September 30, 1987, the mine has produced 202,535 ounces of gold from 469,007 tons of ore at an average grade of 0.460 ounces of gold per ton. Consolidated 1987 (nine months) operating statistics from the Erickson and Mount Skukum Gold Mines are reported below.

Mount Skukum and Erickson Consolidated Mine Operating Statistics (Nine Months)

	1987	1986*		1987	1986*
Ore milled —			Metal produced - to		
tons	150,433	69,744	Total Erickson's Account —		
daily average	551	372	gold - ounces	42,874	13,867
Average mill feed grade —			silver - ounces (estimated)	24,416	7,650
gold - ounces/ton	0.48	0.46	Operating cost/ton of ore	\$CDN \$101.25	\$107.84
silver - ounces/ton			Operating cost/ ounce of gold	\$CDN \$237.11	\$254.12
(estimated)	0.34	0.30	Average price of gold		
Metal recovery —			during period —		
gold - ounces	93	91	per troy ounce	\$CDN \$553.72	\$493.23
silver - ounces (estimated)	86	89	per troy ounce	\$US \$415.99	\$356.01
Metal produced —					
gold - ounces	67,440	27,154			
silver - ounces (estimated)	43,395	17,685			

*The nine month 1986 results represent seven months of operation at the Mount Skukum Mine and three months at the Erickson Mine.

Dome Mountain Project

The Dome Mountain gold project is located 70 road kilometres east of Smithers, British Columbia. Total Erickson expects Dome Mountain to be its third underground gold operation with production expected to commence prior to year end 1988. Feasibility studies are under way; current expectations are for a head-grade of 0.45 ounces of gold per ton with a production rate of 200 to 300 tons per day. At 200 tons per day, current reserves are sufficient for

more than four years of production. Total Erickson will be the operator and will own at least 44%.

Our current understanding of this project's geology leads us to believe Dome Mountain will join the long mine-life tradition begun with our Erickson Gold Mine, and continuing today at both the Erickson and Mount Skukum operations.

Outside Exploration

1987 saw Total Erickson take a more aggressive stance in exploration outside of existing mine sites. Several projects in British Columbia, including the old Engineer Gold Mine, are being explored. In the United States, we are opening an office December 1st in Reno, Nevada, under

the name of Sovereign Exploration, Inc., our wholly-owned subsidiary. We are currently exploring several projects in Nevada, and one in Arizona, just 30 miles north-east of Phoenix called the Mystic.

OIL & GAS

Trans-Canada Resources Ltd.

On October 31, 1987, Total Erickson became the controlling shareholder (51%) of Trans-Canada, and has options to increase its interest to 70%. Trans-Canada is a Calgary based oil and gas producer which ran into debt problems in mid 1986. The subsequent reorganization of Trans-Canada in which Total Erickson participated, improved its balance sheet and has paved the way for an aggressive 1988 exploration and development drilling program. As a result of this, the company feels a doubling of its current oil production within two years is a reasonable objective, given the mainly development nature of its proposed program. With Total Erickson's support Trans-Canada will become a dynamic member of the Total Erickson Group.

The five year statistics for Trans-Canada are reported below, together with the first nine months of 1987:

Trans-Canada Resources Ltd.	1987	1986	1985	1984	1983
Oil production bbls/day	1196	1256	987	911	704
Gas production mcf/day	7.5	7.8	5.2	3.4	3.0
Drilling - total wells		67	66	59	59
- oil wells		43	41	29	38
- gas wells		6	14	19	14
Reserves - oil mbbls		7.7	7.9	7.5	6.0
- gas bcf		44.0	70.9	33.9	31.7

Ranchmen's Resources Ltd.

Ranchmen's is a debt free Calgary based oil and gas producer. Several discoveries in late 1987, including Sylvan Lake, have helped boost oil production and will significantly increase oil reserves.

Over the past five years, Ranchmen's has increased its reserves at a rate of twice annual production, while the finding and on-stream costs are less than \$5.00 per barrel. With our current Ranchmen's share position and the conversion of the remaining convertible debentures Total Erickson holds in Ranchmen's, Total Erickson will hold 55% of Ranchmen's equity, and 44% of its voting shares. With its demonstrated operating expertise, Ranchmen's is clearly one of Canada's most successful junior oil and gas companies.

The five year statistics for Ranchmen's are reported below, together with the first nine months of 1987:

Ranchmen's Resources Ltd.	1987	1986	1985	1984	1983
Oil production bbls/day	2214	1614	1189	1030	842
Gas production mcf/day	9.0	10.8	11.7	12.6	9.6
Drilling - total wells		53	68	49	26
- oil wells		36	34	19	10
- gas wells		2	19	15	11
Reserves - oil mbbls		9	8.2	6.3	5.9
- gas bcf		78.9	83.0	86.0	83.7

Stock Listings:

The Toronto Stock and Vancouver Stock Exchanges: Symbol TLE

NASDAQ Quotation: Symbol TLEXF

Contact: Kristian Ross, Executive Vice-President



TOTAL ERICKSON

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