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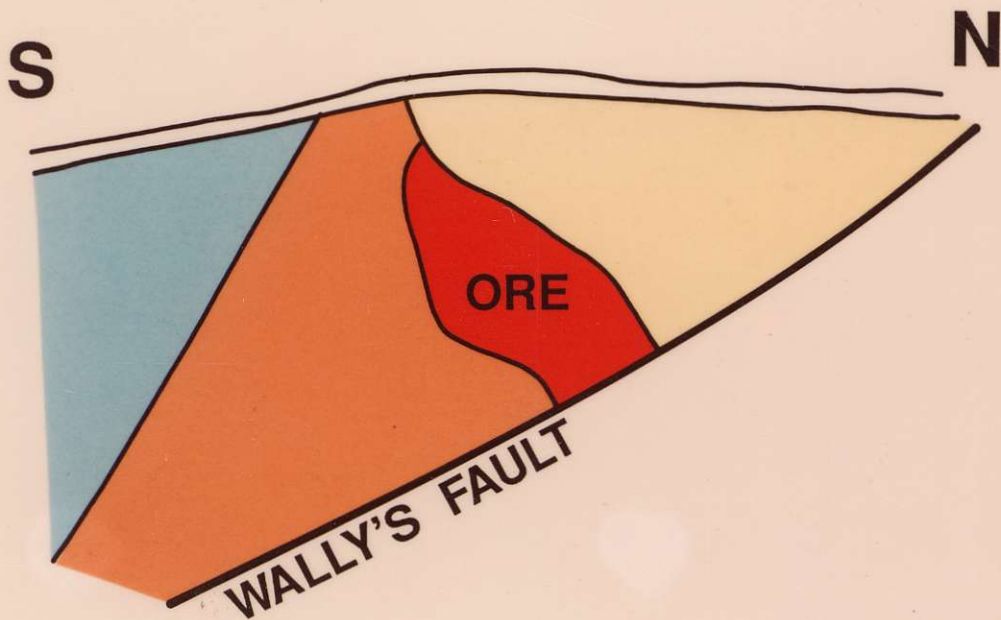
*** Type: Gold skarn. * Mining started April 1995. * Reserves: 1.5 million tonnes grading 3.99 g/t Au. * Move from open pit to underground mining.**
*** Exploration budget of at least \$1 million for 1997.**



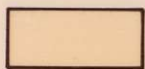



QR. Cut sample of auriferous chalcopyrite-pyrite bearing skarn from the Main zone pit.

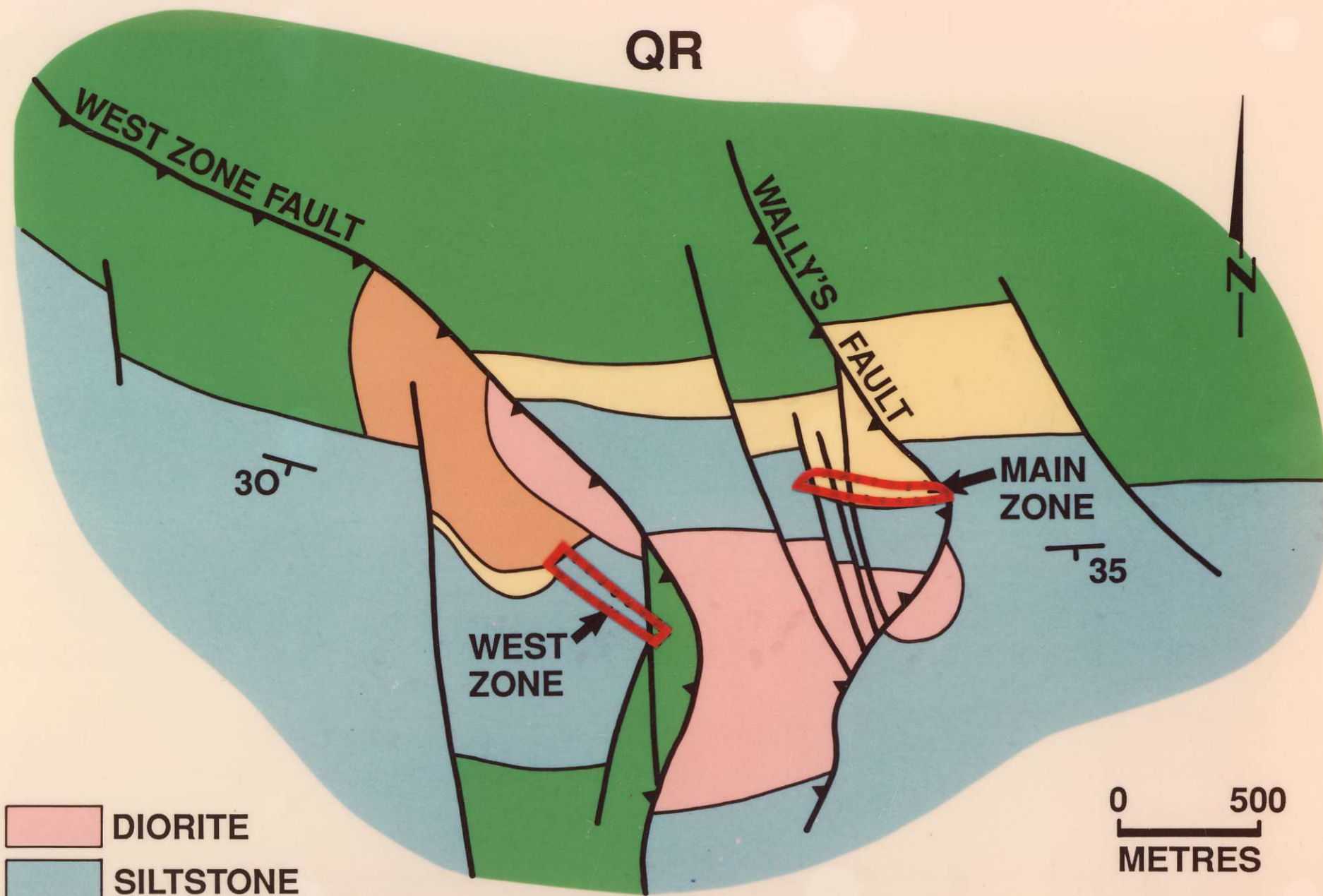
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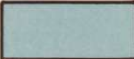



MAIN ZONE – CROSS SECTION






-  OVERBURDEN
-  SILTSTONE
-  CALCAREOUS BASALT
-  PROPYLITIZED BASALT

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-  DIORITE
-  SILTSTONE
-  CALCAREOUS BASALT, TUFF
-  PROPYLITIZED BASALT
-  BASALT

OUTLINE OF ORE 

FAULT: THRUST, 
NORMAL 



QR. This photograph looks west over the Main zone pit; the Mid-west and West zones will be developed in subsequent years. Mill start-up took place on June 1, 1995 with reserves of 1.3M tonnes grading 4.5 g/t Au. The operation is scheduled to produce approximately 37,000 ounces of gold annually over its 5-year mine life. Mining will take place from three separate ore bodies that host the gold skarn mineralization. Heap-leach technology may permit the company to process low-grade, currently sub-economic material, that would add significantly to their reserves.